

SECURITIES AND EXCHANGE COMMISSION

FORM 485APOS

Post-effective amendments [Rule 485(a)]

Filing Date: **1996-01-11**
SEC Accession No. **0000950110-96-000041**

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FILER

ROCHESTER FUND SERIES

CIK: **788959** | Fiscal Year End: **1231**

Type: **485APOS** | Act: **33** | File No.: **033-03076** | Film No.: **96502901**

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM N-1A

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933
Post-Effective Amendment No. 15

and/or

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940
Amendment No. 17

(Check appropriate box or boxes.)

ROCHESTER FUND SERIES

(Exact Name of Registrant as Specified in Charter)

350 Linden Oaks, Rochester, New York 14625

(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone number, including Area Code: (716) 383-1300

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

With a copy to:
Robert J. Zutz, Esq.
Kirkpatrick & Lockhart LLP
1800 Massachusetts Avenue NW
Washington, D.C. 20036

Approximate Date of Proposed Public Offering: As soon as practicable after the effective date of this Registration Statement. It is proposed that this filing become effective:

- Immediately upon filing pursuant to paragraph (b)
- On (date) pursuant to paragraph (b)
- Sixty days after filing pursuant to paragraph (a)(i)
- On (date) pursuant to paragraph (a)(i)
- 75 days after filing pursuant to paragraph a(ii)
- On (date) pursuant to paragraph (a)(ii) of Rule 485

If appropriate, check the following box:

- this post effective amendment designates a new effective date for a previously filed post-effective amendment

Registrant's Rule 24f-2 Notice for the most recent fiscal year was filed with the Securities and Exchange Commission on February 17, 1995.

Rochester Fund Series -- The Bond Fund For Growth

Cross Reference Sheet

Form N-1A

Part A of
Form N-1A
Item No. Heading in Prospectus

1	Front Cover Page
2	Expenses; A Brief Overview of the Fund
3	Financial Highlights; Performance of the Fund
4	Front Cover Page; How the Fund is Managed -- Organization and History; Investment Objective, Policies and Considerations
5	About the Fund -- Expenses; How the Fund is Managed; Back Cover
5A	*
6	How the Fund is Managed -- Organization and History; The Transfer Agent; Dividends, Capital Gains and Taxes; Investment Objective, Policies and Considerations
7	Shareholder Account Rules and Policies; How to Buy Shares; How to Sell Shares; How to Exchange Shares; Special Investor Services; Distribution and Service Plan and Agreement for Class A Shares; Distribution and Service Plan and Agreement for Class B Shares; Distribution and Service Plan and Agreement for Class C Shares; Distribution and Service Plan and Agreement for Class M Shares
8	How to Sell Shares; Special Investor Services
9	*

Part B of
Form N-1A
Item No.

Heading in Statement of Additional Information

10	Cover Page
11	Cover Page
12	*
13	Investment Objectives and Policies -- Other Investment Techniques and Strategies; Investment Objectives and Policies -- Investment Considerations/Risks
14	How the Fund is Managed -- Trustees and Officers of the Fund
15	How the Fund is Managed -- Major Shareholders
16	How the Fund is Managed -- The Adviser and its Affiliates; Distribution and Service Plans
17	Brokerage Policies of the Fund
18	About Your Account -- Determination of Net Asset Value Per Share; Dividends, Capital Gains and Taxes
19	Your Investment Account -- How to Buy Shares; How to Sell Shares; How to Exchange Shares
20	Dividends, Capital Gains and Taxes
21	How the Fund is Managed; Brokerage Policies of the Fund
22	Performance of the Fund
23	Financial Statements

* Not applicable or negative answer.

OPPENHEIMER BOND FUND FOR GROWTH

BOND FUND SERIES

March 11, 1996

Bond Fund Series is mutual fund consisting of one portfolio, Oppenheimer

Bond Fund For Growth (the "Fund"), which has four classes of shares, Class A Shares, Class B Shares, Class C Shares and Class M Shares. The Fund's investment objective is to achieve a high level of total return on its assets through a combination of current income and capital appreciation. The Fund intends to achieve its objective by investing primarily in convertible fixed income securities. There can be no assurance that the Fund will achieve its objective.

This Prospectus explains concisely what you should know before investing in the Fund. Please read this Prospectus carefully and keep it for future reference. You can find more detailed information about the Fund in the March 11, 1996 Statement of Additional Information. For a free copy, call OppenheimerFunds Services, the Fund's Transfer Agent, at 1-800-525-7048, or write to the Transfer Agent at the address on the back cover. The Statement of Additional Information has been filed with the Securities and Exchange Commission and is incorporated into this Prospectus by reference (which means that it is legally part of this Prospectus).

THE FUND INVESTS A SUBSTANTIAL PORTION OF ITS ASSETS IN HIGH-YIELD, LOWER RATED BONDS WHICH ARE COMMONLY REFERRED TO AS "JUNK BONDS". INVESTMENTS OF THIS TYPE ARE SUBJECT TO GREATER RISK OF LOSS OF PRINCIPAL AND INTEREST. PURCHASERS SHOULD CAREFULLY ASSESS THE RISKS ASSOCIATED WITH AN INVESTMENT IN THE FUND. SEE "HOW RISKY IS THE FUND?".

[Logo]

SHARES OF THE FUND ARE NOT DEPOSITS OR OBLIGATIONS OF ANY BANK, ARE NOT GUARANTEED BY ANY BANK, AND ARE NOT INSURED BY THE F.D.I.C. OR ANY OTHER AGENCY, AND INVOLVE INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED.

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.

CONTENTS

ABOUT THE FUND

EXPENSES

A BRIEF OVERVIEW OF THE FUND

FINANCIAL HIGHLIGHTS

INVESTMENT OBJECTIVE AND POLICIES

HOW THE FUND IS MANAGED

PERFORMANCE OF THE FUND

ABOUT YOUR ACCOUNT

HOW TO BUY SHARES

Class A Shares

Class B Shares

Class C Shares

Class M Shares

SPECIAL INVESTOR SERVICES

AccountLink

Automatic Withdrawal and Exchange Plans

Reinvestment Privilege

Retirement Plans

HOW TO SELL SHARES

By Mail

By Telephone

By Checkwriting

HOW TO EXCHANGE SHARES

SHAREHOLDER ACCOUNT RULES AND POLICIES

DIVIDENDS, CAPITAL GAINS AND TAXES

APPENDIX: DESCRIPTION OF RATINGS

ABOUT THE FUND

EXPENSES

The Fund pays a variety of expenses directly for management of its assets, administration, distribution of its shares and other services, and those expenses are subtracted from the Fund's assets to calculate the Fund's net asset value per share. All shareholders therefore pay those expenses indirectly. Shareholders pay other expenses directly, such as sales charges and account transaction charges. The following tables are provided to help you understand your direct expenses of investing in the Fund and your share of the Fund's business operating expenses that you will bear indirectly. The calculations for Class B Shares (which were offered to the public initially on May 2, 1995) and Class M Shares are based on the Fund's expenses during its last fiscal year which ended December 31, 1995. On March 11, 1996, the Fund redesignated its Class A Shares which had been outstanding prior to that date as "Class M Shares", authorized the issuance of two new classes of shares (Class A Shares and Class C Shares) and ceased offering its Class Y Shares. Class Y Shares outstanding prior to March 11, 1996 have been redesignated as Class A Shares. The information for Class A Shares and Class C Shares has been estimated based upon expenses expected to be incurred through December 31, 1996.

-- SHAREHOLDER TRANSACTION EXPENSES are charges you pay when you buy or sell shares of the Fund. Please refer to "About Your Account," for an explanation of how and when these charges apply.

<TABLE>
<CAPTION>

	Class A Shares	Class B Shares	Class C Shares	Class M Shares
<S>	<C>	<C>	<C>	<C>
Maximum Sales Charge on Purchase (as a % of offering price)	5.75%(1)	None	None	3.25%(4)
Sales Charge on Reinvested Dividends	None	None	None	None
Deferred Sales Charge (as a % of the lower of the original purchase price or redemption proceeds).....	None(2)	4.00% in the first year declining to 0% in the sixth year and eliminated thereafter(3)	1% in first year(3)	None
Exchange Fee	None	None	None	None
Redemption Fee	None	None	None	None

</TABLE>

(1) The Fund's maximum sales load on Class A Shares of 3.50% declines to 2.00% on investments of \$500,000 or more. In addition, the Fund offers several methods by which investors may aggregate purchases to reduce the applicable sales load. These methods, which include rights of accumulation, letters of intent, and group purchases, are explained more fully in the section entitled "How to Buy Shares -- Class A".

(2) If you invest \$1 million or more (\$500,000 or more for purchases by OppenheimerFunds prototype 401(k) plans) in Class A shares, you may have to pay a sales charge of up to 1% if you sell your shares within 18 calendar months from the end of the calendar month in which you purchased those shares. See "How to Buy Shares -- Class A Shares" below.

(3) See "How to Buy Shares -- Class B Shares" and "How to Buy Shares -- Class C Shares" below.

(4) The Fund's maximum sales load on Class M Shares of 3.25% declines to 2.00% on investments of \$500,000 or more. In addition, the Fund offers several methods by which investors may aggregate purchases to reduce the

applicable sales load. These methods, which include rights of accumulation, letters of intent, and group purchases, are explained more fully in the section entitled "How to Buy Shares -- Class M".

-- ANNUAL FUND OPERATING EXPENSES are paid out of the Fund's assets and represent the Fund's expenses in operating its business. For example, the Fund pays management fees to its investment adviser, OppenheimerFunds, Inc. (which is referred to in this Prospectus as the "Manager"). The rates of the Manager's fees are set forth in "How the Fund is Managed" below. The Fund has other regular expenses for services, such as transfer agent fees, custodial fees paid to the bank that holds the Fund's portfolio securities, audit fees and legal expenses. Those expenses are detailed in the Fund's Financial Statements in the Statement of Additional Information.

The numbers in the table below with respect to Class B Shares and Class M Shares are projections of the Fund's business expenses based on the Fund's expenses in its last fiscal year. These amounts are shown as a percentage of the average net assets of such classes for that year. The 12b-1 Distribution Plan Fees for Class A Shares consist of service fees (the maximum fee is 0.25% of average net assets of that class). For Class B Shares and Class C Shares, the 12b-1 Distribution Plan Fees consist of service fees (the maximum fee is 0.25% of average net assets of that class) and the asset-based sales charge of 0.75%. The Distribution Plan Fees for Class M Shares consist of service fees (the maximum fee is 0.25% of average net assets) and the asset-based sales charge of 0.50%. These plans are described in greater detail in "How to Buy Shares."

The actual expenses for each class of shares in future years may be more or less than the numbers in the chart, depending on a number of factors, including the actual value of the Fund's assets represented by each class of shares. Neither Class A Shares nor Class C Shares were publicly offered during the Fund's fiscal year ended December 31, 1995. Therefore, the Annual Fund Operating Expenses for Class A Shares and Class C Shares have been estimated based on amounts that would have been payable if such classes of shares had been outstanding during that fiscal year.

	Class A Shares	Class B Shares	Class C Shares	Class M Shares
	-----	-----	-----	-----
Management Fees				
12b-1 Distribution Plan Fees				
Other Expenses				
Total Fund Operating Expenses				

-- EXAMPLES. To try to show the effect of these expenses on an investment over time, we have created the hypothetical examples shown below. Assume that you make a \$1,000 investment in each class

-4-

of shares of the Fund, and that the Fund's annual return is 5%, and that its operating expenses for each class are the ones shown in the Annual Fund Operating Expenses table above. If you were to redeem your shares at the end of each period shown below, your investment would incur the following expenses by the end of 1, 3, 5 and 10 years:

	1 YEAR	3 YEARS	5 YEARS	10 YEARS(1)
	-----	-----	-----	-----
Class A Shares				
Class B Shares				
Class C Shares				
Class M Shares				

If you did not redeem your investment, it would incur the following expenses:

	1 YEAR	3 YEARS	5 YEARS	10 YEARS(1)
	-----	-----	-----	-----
Class A Shares				
Class B Shares				
Class C Shares				
Class M Shares				

 (1) The Class B expenses in years 7 through 10 are based on Class A expenses shown above, because the Fund automatically converts your Class B Shares into Class A Shares after 6 years. Because of the effect of the asset-based sales charge and the contingent deferred sales charge on Class B and Class C Shares, long-term Class B and Class C shareholders could pay the economic equivalent of an amount greater than the maximum front-end sales charge allowed under applicable regulations. For Class B

shareholders, the automatic conversion of Class B shares to Class A shares is designed to minimize the likelihood that this will occur. Please refer to "How to Buy Shares -- Class B Shares" for more information.

These examples show the effect of expenses on an investment, but are not meant to state or predict actual or expected costs or investment returns of the Fund, all of which will vary.

-5-

A BRIEF OVERVIEW OF THE FUND

Some of the important facts about the Fund are summarized below, with references to the section of this Prospectus where more complete information can be found. You should carefully read the entire Prospectus before making a decision about investing in the Fund. Keep the Prospectus for reference after you invest, particularly for information about your account, such as how to sell or exchange shares.

-- WHAT IS THE FUND'S INVESTMENT OBJECTIVE? The Fund's investment objective is to achieve a high level of total return on its assets through a combination of current income and capital appreciation. The Fund intends to achieve its objective by investing primarily in convertible fixed income securities. There can be no assurance that the Fund will achieve its objective.

-- WHAT DOES THE FUND INVEST IN? The Fund invests primarily in a portfolio that consists of a variety of convertible fixed income securities which, in the opinion of the Manager, will assist the Fund in achieving its investment objective. Convertible securities include corporate bonds, notes and preferred stock which can be converted into (exchanged for) common stock or other securities which provide an opportunity for equity participation. See "Investment Policies and Strategies".

Under normal market conditions, the Fund will invest at least 65% of its total assets in convertible bonds. Many convertible bonds are lower rated, speculative securities commonly referred to as "junk bonds." See "How Risky is the Fund?". The balance of up to 35% of the total assets comprising the Fund's portfolio may be invested in other types of convertible securities as well as common stocks, non-convertible fixed income securities, cash and money market securities, including repurchase agreements. No more than 15% of the total assets of the Fund, however, may be invested in non-dividend paying common stocks. If, at any time, the market value of the Fund's investments in cash, common stocks and non-convertible securities exceeds 35% of the market value of its total assets as a result of market conditions or a call by an issuer of its convertible securities, the Fund will (except when a temporary defensive position is deemed advisable) thereafter invest only in convertible bonds until the 65% standard is met. The Fund will not be required to sell any of its securities to comply with the 65% standard.

-- WHO MANAGES THE FUND? The Fund's investment adviser is OppenheimerFunds, Inc. The Manager (including a subsidiary) advises investment company portfolios having over \$__ billion in assets at December 31, 1995. The Manager is paid an advisory fee by the Fund, based on its assets. The Fund's portfolio manager, who is employed by the Manager and is primarily responsible for the selection of the Fund's securities, is Michael S. Rosen. The Fund's Board of Trustees, elected by shareholders, oversees the investment adviser and the portfolio manager. Please refer to "How the Fund is Managed," for more information about the Manager and its fees.

-- HOW RISKY IS THE FUND? All investments carry risks to some degree. The Fund may invest all or any portion of its assets in high-yield, lower-rated fixed-income securities. The primary advantage of high-yield securities is their relatively higher investment return. However, such securities are considered speculative and may be subject to greater market fluctuations and risks of loss of income and principal and have less liquidity than investments in higher-rated securities. Fixed-income securities are also subject to interest rate risks and credit risks which can negatively impact the value of the security and the Fund's net asset value per share. There are certain risks associated with investments in foreign securities, including those related to changes in foreign currency rates, that are not present in domestic securities. These changes

-6-

affect the value of the Fund's investments and its price per share. In the

OppenheimerFunds spectrum, the Fund is generally not as risky as aggressive growth funds, but is more aggressive than money market or investment grade bond funds. While the Manager tries to reduce risks by diversifying investments, by carefully researching securities before they are purchased for the portfolio, and in some cases by using hedging techniques, there is no guarantee of success in achieving the Fund's objective and your shares may be worth more or less than their original cost when you redeem them. Please refer to "Investment Objective and Policies" for a more complete discussion.

-- HOW CAN I BUY SHARES? You can buy shares through your dealer or financial institution, or you can purchase shares directly through the Distributor by completing an Application or by using an Automatic Investment Plan under AccountLink. Please refer to "How to Buy Shares" for more details.

-- WILL I PAY A SALES CHARGE TO BUY SHARES? The Fund offers the individual investor four classes of shares. All classes have the same investment portfolio, but different expenses. Class A Shares and Class M Shares are offered with 6 front-end sales charges, starting at 5.75% and 3.25%, respectively, and reduced for larger purchases. Class B Shares and Class C Shares are offered without a front-end sales charge, but may be subject to a contingent deferred sales charge if redeemed within 6 years (Class B) or 12 months (Class C) of purchase. There is also an annual asset-based sales charge on Class B shares and Class C shares. Please review "How To Buy Shares" for more details, including a discussion about factors you and your financial advisor should consider in determining which class may be appropriate for you.

-- HOW CAN I SELL MY SHARES? Shares can be redeemed by mail or by telephone call to the Transfer Agent on any business day, or through your dealer or by writing a check against your current account (available for Class A shares only). Please refer to "How to Sell Shares". The Fund also offers exchange privileges to other Oppenheimer funds, described in "How To Exchange Shares".

-- HOW HAS THE FUND PERFORMED? The Fund measures its performance by quoting its yield and total returns, which measure historical performance. Those yields and returns can be compared to the yields and returns (over similar periods) of other funds. Of course, other funds may have different objectives, investments, and levels of risk. For additional information regarding the calculation of yield and total return, see "Performance of the Fund" in the Statement of Additional Information. Further information about the Fund's performance is set forth in the Fund's Annual Report to Shareholders which may be obtained without charge upon request. Please remember that past performance does not guarantee future results.

FINANCIAL HIGHLIGHTS

The table on the following pages presents selected financial information about the Fund, including per share data and expense ratios and other data based on the Fund's average net assets. This information has been audited by Price Waterhouse LLP, the Fund's independent auditors, whose report on the Fund's financial statements for the fiscal year ended December 31, 1995, is included in the Statement of Additional Information. Class B Shares, Class C shares and Class M shares were not publicly offered during the each of periods shown. Accordingly, information on these classes of shares is not included for all years in the table below or in the Fund's other financial statements.

<TABLE>
<CAPTION>

	PERIODS ENDED DECEMBER 31,									
	1995	1994	1993	1992+	1991*	1990	1989	1988	1987	1986**
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value, beginning of period		\$13.16	\$11.43	\$9.37	\$7.88	\$9.16	\$9.03	\$8.50	\$9.96	\$10.00
Income from investment operations:										
Net investment income		0.68	0.59	0.69	0.65	0.54	0.57	0.51	0.42	0.23
Net realized and unrealized gain (loss) on investments		(0.81)	1.79	2.15	1.53	(1.26)	0.16	0.56	(1.27)	(0.27)
Total from investment operations		(0.13)	2.38	2.84	2.18	(0.72)	0.73	1.07	(0.85)	(0.04)
Less distributions:										
Dividends from net investment income		(0.69)	(0.65)	(0.78)	(0.69)	(0.56)	(0.60)	(0.54)	(0.53)	--
Distributions from capital gains		(0.14)	--	--	--	--	--	--	(0.08)	--
Total distributions		(0.83)	(0.65)	(0.78)	(0.69)	(0.56)	(0.60)	(0.54)	(0.61)	--

Net asset value, end of period	\$12.20	\$13.16	\$11.43	\$9.37	\$7.88	\$9.16	\$9.03	\$8.50	\$9.96
Total return (excludes sales load)	(1.12%)	21.23%	31.19%	28.50%	(8.14%)	8.13%	12.43%	(9.34%)	(0.40%)
Ratios/supplemental data:									
Net assets, end of period (thousands)	\$126,691	\$69,375	\$10,241	\$6,403	\$6,035	\$8,423	\$6,008	\$5,345	\$3,332
Ratio of total expenses to average net assets ^Y	1.66%	1.78%	1.93%	2.01%	2.92%	2.52%	2.67%	2.63%	1.03%
Ratio of total expenses (excluding interest) to average net assets	1.65%	1.75%	1.91%	1.94%	2.90%	2.43%	2.50%	2.63%	1.03%
Ratio of net investment income to average net assets	5.24%	4.70%	6.62%	7.60%	6.37%	6.17%	5.53%	4.12%	2.28%
Portfolio turnover rate	52.82%	88.66%	80.09%	48.55%	33.23%	54.46%	87.08%	107.5%	41.2%

</TABLE>

+ Net of fees and expenses waived or reimbursed by Fielding Management Company, Inc. which amounted to \$0.01 per share. Without reimbursement, the ratios would have been 2.06%, 2.04% and 6.50%, respectively.

* Net of fees and expenses waived or reimbursed by Fielding Management Company, Inc. and Rochester Fund Services, Inc., which amounted to \$0.07 per share. Without reimbursement, the ratios would have been 2.82%, 2.75% and 6.79%, respectively.

** The Fund commenced operations on June 3, 1986.

Y During the periods shown above, the Fund's interest expense was substantially offset by the incremental interest income generated on bonds purchased with borrowed funds.

(X) On January 4, 1996, OppenheimerFunds, Inc. acquired substantially all of the assets of Fielding Management Company, Inc. and certain of its affiliates and was appointed investment adviser to the Fund. Fielding Management Company, Inc. served as investment adviser to the Fund from its inception on June 3, 1986 through January 4, 1996.

Per share information has been determined on the basis of the weighted average number of Class A Shares outstanding during the period.

-8-

INFORMATION ON BANK LOANS

	PERIODS ENDED DECEMBER 31,									
	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986**
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Bank loans outstanding at end of period (000)		\$0	\$0	\$0	\$0	\$0	\$0	\$80	\$0	\$0
Monthly average amount of bank loans outstanding during the period (000)		\$246	\$213	\$22	\$45	\$11	\$47	\$89	\$0	\$0
Monthly average number of shares of the Fund outstanding during the period (000)		8,206	2,941	716	702	764	661	645	498	167
Average amount of bank loans per share outstanding during the period		\$.03	\$.07	\$.03	\$.06	\$.01	\$.07	\$.14	\$0	\$0

</TABLE>

** The Fund commenced operations on June 3, 1986.

-9-

INVESTMENT OBJECTIVE AND POLICIES

OBJECTIVE. The Fund seeks a high level of total return on its assets through a combination of current income and capital appreciation. The Fund invests primarily in a portfolio that consists of a variety of convertible fixed income securities which, in the opinion of the Manager, will assist the Fund in achieving its investment objective. Convertible securities include corporate

bonds, notes and preferred stock which can be converted into (exchanged for) common stock or other securities which provide an opportunity for equity participation. See "Investment Policies and Strategies".

Under normal market conditions, the Fund will invest at least 65% of its total assets in convertible bonds. Many convertible bonds are lower rated, speculative securities commonly referred to as "junk bonds." See "How Risky is the Fund?". The balance of up to 35% of the total assets comprising the Fund's portfolio may be invested in other types of convertible securities as well as common stocks, non-convertible fixed income securities, cash and money market securities, including repurchase agreements. No more than 15% of the total assets of the Fund, however, may be invested in non-dividend paying common stocks. If, at any time, the market value of the Fund's investments in cash, common stocks and non-convertible securities exceeds 35% of the market value of its total assets as a result of market conditions or a call by an issuer of its convertible securities, the Fund will (except when a temporary defensive position is deemed advisable) thereafter invest only in convertible bonds until the 65% standard is met. The Fund will not be required to sell any of its securities to comply with the 65% standard.

CAN THE FUND'S INVESTMENT OBJECTIVE AND POLICIES CHANGE? The investment objective of the Fund is not a fundamental policy and, as such, may be changed without shareholder approval. As a matter of policy, however, the Fund will not change its objective without the approval of the majority of the Board of Trustees. Although the Fund will seek to make investments in accordance with its investment objective, there is no assurance that the Fund will achieve its objective and there can be no guarantee that the value of an investment in Fund Shares might not decline.

INVESTMENT POLICIES AND STRATEGIES.

-- CONVERTIBLE SECURITIES

A convertible security is a bond, debenture, note, preferred stock or other security that may be converted into or exchanged for a prescribed amount of common stock of the same or a different issue within a particular period of time at a specified price or formula. A convertible security entitles the holder to receive interest paid or accrued on debt or dividends paid on preferred stock until the convertible security matures or is redeemed, converted or exchanged. Convertible securities have unique investment characteristics in that they generally (1) have higher yields than common stocks, but lower yields than comparable non-convertible securities, (2) are less subject to fluctuation in value than the underlying stock because they have fixed income characteristics, and (3) provide the potential for capital appreciation if the market price of the underlying common stock increases. See the Statement of Additional Information for a further discussion of convertible securities.

The Fund may invest in various types of recently developed derivative convertible securities, such as mandatory conversion securities, equity-linked linked debt securities and convertible preferred stock. Mandatory conversion securities, which provide a relatively high level of current income, may be purchased as possible alternatives to direct investments in either the related common stocks or fixed income securities in order to seek the higher returns which are consistent with the Fund's investment objective. Such securities may combine some of the features of debt securities and equity securities, including both common stock and preferred stock. Unlike the more traditional convertible securities, these securities are characterized by a mandatory conversion feature and an adjustable conversion ratio. One type of

-10-

mandatory conversion security which may be purchased by the Fund is the equity-linked debt security, a debt security whose principal amount at maturity is dependent upon the performance of a specified equity security. The performance of these securities is dependent upon the performance of the linked equity security and may be influenced by interest rate changes. Such securities also are subject to credit risk with respect to the issuer of the debt security. Certain of these convertible securities offer limited potential for capital appreciation and, in some instances, may involve losses equal to the value of the security. The Fund also may be exposed to counterparty risk if the issuing firm of such a security experiences financial or other difficulties that render it unable to perform according to the terms of the security. The market for such securities is relatively new and, therefore, it is not possible to predict how they might trade in the secondary markets or whether such markets will be liquid or illiquid. For a further description of these securities and other risks associated with them, see the Statement of Additional Information.

The potential for higher returns sought by the Fund are, in the opinion of the Manager, generally obtainable from investments in bonds which are rated in the lower rating categories of nationally recognized statistical rating

organizations ("NRSROs"), including but not limited to Standard & Poor's Ratings Group ("S&P") and Moody's Investors Service, Inc. ("Moody's") (BB and lower by S&P and Ba and lower by Moody's), (commonly referred to as "junk bonds") or in bonds which are unrated. The Fund will not, however, invest in convertible fixed income securities having a rating by an NRSRO of less than C or in convertible securities which are in default at the time of purchase. Convertible securities rated C by S&P are described as having the highest degree of speculation with respect to the capacity to pay interest and principal in accordance with the terms of the obligation. Because investment in lower rated and unrated fixed income securities involves greater investment risk, achievement of the Fund's investment objectives will be more dependent on the Manager's credit analysis than would be the case if the Fund were investing in higher quality debt securities. Since the ratings of rating agencies are used only as preliminary indicators of investment quality, the Manager employs its own credit research and analyses from which it has developed a credit rating system based upon comparative credit analyses of issuers within the same industry. These analyses may take into consideration, among other things, the issuer's financial soundness, its anticipated cash flow, interest or dividend coverage, asset coverage, sinking fund provisions, responsiveness to changes in interest rates and business conditions and liquidation value relative to the market price of the security.

OTHER INVESTMENT TECHNIQUES AND STRATEGIES. The Fund may also use the investment techniques and strategies described below. These techniques involve certain risks. The Statement of Additional Information contains more information about these practices, including limitations on their use that are designed to reduce some of the risks.

-- LOANS OF PORTFOLIO SECURITIES. As a fundamental policy, the Fund may lend a portion of its portfolio securities to broker-dealers, institutions and other persons as a means of earning additional income on its portfolio assets. Any such loans will be continuously secured by collateral consisting of cash, securities of the U.S. government and its agencies and instrumentalities or approved bank letters of credit, or any combination thereof, which will at all times equal at least 100% of the market value of the loaned securities. Such loans will not be made if, as a result thereof, the aggregate amount of all outstanding loans of the Fund's portfolio securities would exceed the maximum percentage of its assets permitted by law or applicable guidelines of the Securities and Exchange Commission ("SEC"). Guidelines established by the SEC currently permit the Fund to loan an amount of its portfolio securities equal in value up to 33 1/3% of the value of its total assets. The Fund will receive interest on the securities loaned and simultaneously earn either interest on the investment of the cash collateral or fee income if the collateral for the loan does not consist of cash. However, the Fund will normally pay lending fees and related expenses from the interest earned on invested collateral. If the borrower of the securities fails financially, there could be a risk of delay in recovery of the securities or loss of rights

-11-

in the collateral. The Fund will attempt to minimize such risks, however, by making loans to only such borrowers which are believed by the Fund's Manager to be of good financial standing.

-- REPURCHASE AGREEMENTS. Under a repurchase agreement, the Fund may purchase U.S. Government securities and concurrently enter into an agreement with the seller which agrees to repurchase such securities at the Fund's cost plus an agreed rate of interest within a specified time (normally seven days or less). Repurchase agreements will be collateralized by the U.S. Government securities, and the value of such collateral will be at least equal to the repurchase price, including any such accrued interest. The Fund will only enter into repurchase agreements where the custodian of the Fund has acquired actual or constructive possession of the collateral, including transfer of U.S. Government securities by book-entry in the Federal Reserve book-entry system. In the event of a default or bankruptcy by a seller, the Fund may incur a loss, may have difficulty in perfecting ownership of the collateral, and may incur expenses in selling the collateral.

-- TEMPORARY INVESTMENTS. Temporary investments may be made without limitation in periods of unusual market conditions or when the Manager determines that convertible securities may not best achieve the Fund's investment objectives and a temporary defensive position may be warranted. Such investments may be made in money market instruments consisting of obligations of, or guaranteed as to principal and interest by, the U.S. Government or its agencies or instrumentalities, certificates of deposit, bankers' acceptances and other obligations of domestic banks having total assets of at least \$500 million and which are regulated by the U.S. Government, its agencies or instrumentalities, commercial paper rated in the highest category by an NRSRO and repurchase agreements with banks or broker-dealers in securities.

-- ILLIQUID AND RESTRICTED SECURITIES. The Fund may invest up to an aggregate of

15% of its net assets in illiquid securities which may include, but are not limited to, securities which have not been registered under the Securities Act of 1933, as amended (the "1933 Act"), repurchase agreements with remaining maturities of more than seven days, and securities for which market quotations are not readily available. Securities which have not been registered under the 1933 Act are deemed to be "restricted securities" because they cannot be resold except in reliance upon an available exemption from the registration requirements. Rule 144A under the 1933 Act permits certain resales of restricted securities provided that such securities have been determined to be eligible for resale under the provisions of Rule 144A ("Rule 144A Securities"). Rule 144A Securities which are deemed to be liquid by the Fund's Manager pursuant to certain guidelines and procedures as discussed in the Statement of Additional Information are excluded from the Fund's 15% limitation on investments in Illiquid Securities. See the Statement of Additional Information for further information. The Fund's policy with respect to illiquid securities is non-fundamental and, as such, may be changed without shareholder approval.

Eurodollar convertible securities are generally traded on the European exchanges, are not registered under the 1933 Act and may not be sold to U.S. investors except in reliance upon an available exemption from the 1933 Act. However, there exists a liquid institutional market for many of these Eurodollar convertible securities which are convertible into securities which trade on a U.S. exchange, and one or more U.S. broker-dealers may make a market in the security. Eurodollar securities trade without limitation and are not considered illiquid securities for purposes of the Fund's non-fundamental policy of investing no more than an aggregate of 15% of its net assets in such securities.

FOREIGN SECURITIES. The Fund may invest up to 15% of its assets in securities of foreign issuers which are generally denominated in foreign currencies. Investments in securities of foreign issuers involve certain risks not ordinarily associated with investments in the securities of domestic issuers. Such risks include, but are not limited to: (1) political and financial instability abroad; (2) less liquidity and greater volatility of foreign investments; (3) less public information regarding foreign companies; (4) less government regulation and supervision of foreign stock exchanges, brokers and listed companies; (5)

-12-

lack of uniform accounting, auditing and financial reporting standards; (6) delays in transaction settlement in foreign markets; (7) possibility of an imposition of confiscatory foreign taxes; (8) possible limitation on the removal of securities or other assets of the Fund; (9) restrictions on foreign investments and repatriation of capital; (10) currency fluctuations; (11) cost and possible restriction of currency conversion; (12) withholding taxes on interest and dividends earned in foreign countries; and (13) possibly higher commissions, custodian fees and management costs than in the United States.

The Fund may purchase sponsored American Depositary Receipts ("ADRs") or U.S. dollar denominated securities of foreign issuers, which are not subject to the 15% limitation on investments in securities of foreign issuers. ADRs are receipts issued by U.S. banks or trust companies in respect of securities of foreign issuers held on deposit for use in the U.S. securities markets. While ADRs may not necessarily be denominated in the same currency as the securities into which they may be converted, many of the risks associated with foreign securities may also apply to ADRs, such as confiscatory taxation or nationalization, and less comprehensive disclosure requirements for the underlying securities.

-- BORROWING FOR INVESTMENT PURPOSES. As a fundamental policy, the Fund may borrow money, but only from banks, in amounts up to 5% of its total net assets for temporary or emergency purposes, or to purchase additional portfolio securities. See "Other Investment Restrictions" in the Statement of Additional Information. The Investment Company Act of 1940 (the "Act") requires the Fund to maintain asset coverage of at least 300% for all such borrowings and, should such asset coverage at any time fall below 300%, the Fund would be required to reduce its borrowings within three days to the extent necessary to meet the requirements of the Act. The Fund might be required to sell securities at a time when it would be disadvantageous to do so in order to reduce its borrowings.

-- WARRANTS, OPTIONS AND SHORT SALES. The Fund may invest up to 5% of the value of its net assets at the time of purchase in warrants. It also may utilize listed options trading and has limited such trading to (1) writing (i.e. selling) covered call options on stocks it owns and the underlying stock of its existing convertible positions; (2) purchasing put options on stocks it owns and underlying stock of existing convertible positions; and (3) entering into closing purchase transactions with respect to certain of such options, provided that all options written or purchased by the Fund are listed on a national securities exchange. The Fund also has the ability to purchase put options in an attempt to hedge its portfolio to reduce investment risks. The Fund's covered

call writing is generally intended to provide income to the Fund beyond the level of income available from convertible securities alone. The Fund may also make short sales "against the box." See the Statement of Additional Information for a further discussion of these investment strategies.

-- TEMPORARY INVESTMENTS. Temporary investments may be made without limitation in periods of unusual market conditions when the Manager determines that convertible securities would not best achieve the Fund's investment objectives and a temporary defensive position is warranted. Such investments may be made in money market instruments consisting of obligations of, or guaranteed as to principal and interest by, the U.S. Government or its agencies or instrumentalities, certificates of deposit, bankers' acceptances and other obligations of domestic banks having total assets of at least \$500 million and which are regulated by the U.S. Government, its agencies or instrumentalities, commercial paper rated in the highest category by an NRSRO and repurchase agreements with banks or broker-dealers in securities.

-- OTHER INVESTMENT RESTRICTIONS

Information about other investment restrictions on the Fund's investment activities is set forth in the Statement of Additional Information.

-13-

-- PORTFOLIO TRANSACTIONS

The Fund has no obligation to deal with any dealer or group of dealers in the execution of transactions in securities of the Fund. Where advisable, the Fund deals directly with the dealers who make a market in the securities involved except in those circumstances where the Manager believes that better prices and execution are available elsewhere. It is the policy of the Fund to seek to obtain the best net results in conducting portfolio transactions for the Fund, taking into account such factors as price (including the applicable dealer spread), and the firm's general execution capabilities. Where more than one dealer is able to provide the most competitive price and the execution capabilities of the dealers are comparable, the sale of shares of the Fund may be taken into consideration as a factor in the selection of dealers to execute portfolio transactions for the Fund. The portfolio securities of the Fund generally are traded on a net basis and normally do not involve the payment of brokerage commissions. The cost of securities transactions of the Fund primarily consists of paying dealer or underwriter spreads.

HOW THE FUND IS MANAGED

ORGANIZATION AND HISTORY. Bond Fund Series (the "Trust") was organized in 1986 as a Massachusetts business trust consisting of one portfolio, the Fund. The Trust is an open-end, non-diversified management investment company, with an unlimited number of authorized shares of beneficial interest.

The Fund is governed by a Board of Trustees, which is responsible under Massachusetts law for protecting the interests of shareholders. The Trustees meet periodically throughout the year to oversee the Fund's activities, review its performance, and review the actions of the Manager. "Trustees and Officers of the Fund" in the Statement of Additional Information names the Trustees and provides more information about them and the officers of the Fund. Although the Fund is not required by law to hold annual meetings, it may hold shareholder meetings from time to time on important matters, and shareholders have the right to call a meeting to remove a Trustee or to take other action described in the Fund's Declaration of Trust.

The Board of Trustees has the power, without shareholder approval, to divide unissued shares of the Fund into two or more classes. The Board has done so, and the Fund currently has four classes of shares, Class A, Class B, Class C and Class M. All Classes invest in the same investment portfolio. Each class has its own dividends and distributions and pays certain expenses which may be different for the different classes. Each class may have a different net asset value. Each share has one vote at shareholder meetings, with fractional shares voting proportionally. Only shares of a particular class vote as a class on matters that affect that class alone. Shares are freely transferrable. Please refer to "How the Fund is Managed" in the Statement of Additional Information on voting of shares.

THE MANAGER AND ITS AFFILIATES. The Fund is managed by the Manager, OppenheimerFunds, Inc., which is responsible for selecting the Fund's investments and handles its day-to-day business. The Manager carries out its duties, subject to the policies established by the Board of Trustees, under an Investment Advisory Agreement which states the Manager's responsibilities. The Agreement sets forth the fees paid by the Fund to the Manager and describes the expenses that the Fund is responsible to pay to conduct its business.

The Manager has operated as an investment adviser since 1959. The Manager and its affiliates currently manages investment companies, including other Oppenheimer funds, with assets of more than \$__ billion as of December 31, 1995, and with more than __ million shareholder accounts. The Manager is owned by Oppenheimer Acquisition Corp., a holding company that is owned in part by senior officers of the Manager and controlled by Massachusetts Mutual Life Insurance Company.

-14-

-- PORTFOLIO MANAGER. The Portfolio Manager of the Fund is Michael S. Rosen. He has been the person principally responsible for the day-to-day management of the Fund's portfolio since the Fund's inception in 1986. Mr. Rosen is Vice President of the Fund, has also served as an officer and director of the Fund's previous investment adviser.

-- FEES AND EXPENSES. Under the Investment Advisory Agreement, the Fund pays the Manager the following annual fees, which decline on additional assets as the Fund grows: 0.625% of the first \$50 million of net assets, 0.500% of the next \$250 million of net assets and 0.4375% of net assets in excess of \$300 million. The Fund's management fee for its last fiscal year was ___% of average annual net assets for its Class A shares, which may be higher than the rate paid by some other mutual funds.

The Fund pays expenses related to its daily operations, such as custodian fees, Trustees' fees, transfer agency fees, legal and auditing costs. Those expenses are paid out of the Fund's assets and are not paid directly by shareholders. However, those expenses reduce the net asset value of shares, and therefore are indirectly borne by shareholders through their investment. More information about the Investment Advisory Agreement and the other expenses paid by the Fund is contained in the Statement of Additional Information.

There is also information about the Fund's brokerage policies and practices in "Brokerage Policies of the Fund" in the Statement of Additional Information. That section discusses how brokers and dealers are selected for the Fund's portfolio transactions. When deciding which brokers to use, the Manager is permitted by the Investment Advisory Agreement to consider whether brokers have sold shares of the Fund or any other funds for which the Manager serves as investment adviser.

-- THE DISTRIBUTOR. The Fund's shares are sold through dealers and brokers that have a sales agreement with OppenheimerFunds Distributor, Inc., a subsidiary of the Manager that acts as the Distributor. The Distributor also distributes the shares of other mutual funds managed by the Manager (the "Oppenheimer funds") and is sub-distributor for funds managed by a subsidiary of the Manager.

-- THE TRANSFER AGENT. The Fund's transfer agent is OppenheimerFunds Services, a division of the Manager, which acts as the shareholder servicing agent for the Fund and the other Oppenheimer funds. Shareholders should direct inquiries about their account to the Transfer Agent at the address and toll-free numbers shown below in this Prospectus and on the back cover.

PERFORMANCE OF THE FUND

EXPLANATION OF PERFORMANCE TERMINOLOGY. The Fund uses the terms "total return", "average annual total return" and "yield" to illustrate its performance. The performance of each class of shares is shown separately, because the performance of each class of shares will usually be different as a result of the different kinds of expenses each class bears. This performance information may be useful to help you see how well your investment has done and to compare it to other funds or market indices, as we have done below.

It is important to understand that the Fund's total returns represent past performance and should not be considered to be predictions of future returns or performance. This performance data is described below, but more detailed information about how total returns are calculated is contained in the Statement of Additional Information, which also contains information about other ways to measure and compare the Fund's performance. The Fund's investment performance will vary over time, depending on market conditions, the composition of the portfolio, expenses and which class of shares you purchase.

-- TOTAL RETURNS. There are different types of total returns used to measure the Fund's performance. Total return is the change in value of a hypothetical investment in the Fund over a given period,

-15-

assuming that all dividends and capital gains distributions are reinvested in additional shares. 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 Fund's actual year-by-year performance.

When total returns are quoted for Class A shares, normally they include the payment of the current maximum initial sales charge. Total returns may also be quoted "at net asset value," without including the sales charge, and those returns would be reduced if sales charges were deducted. When total returns are shown for Class B shares and Class C Shares, they reflect the effect of the contingent deferred sales charge that applies to the period for which total return is shown. They may also be shown based on the change in net asset value, without including the effect of the contingent deferred sales charge, and those returns would be reduced if sales charges were deducted.

-- YIELD. Each Class of shares calculates its yield by dividing the annualized net investment income per share on the portfolio during a 30-day period by the maximum offering price on the last day of the period. The yield of each Class will differ because of the different expenses of each Class of shares. The yield data represents a hypothetical investment return on the portfolio, and does not measure an investment return based on dividends actually paid to shareholders. To show that return, a dividend yield may be calculated. Dividend yield is calculated by dividing the dividends of a Class derived from net investment income during a stated period by the maximum offering price on the last day of the period. Yields and dividend yields for Class A shares reflect the deduction of the maximum initial sales charge, but may also be shown based on the Fund's net asset value per share. Yields for Class B, and Class C shares do not reflect the deduction of the contingent deferred sales charge.

For additional information regarding the calculation of yield and total return, see "Performance of the Fund" in the Statement of Additional Information. Further information about the Fund's performance is set forth in the Fund's Annual Report to Shareholders, which may be obtained upon request at no charge.

-16-

ABOUT YOUR ACCOUNT

HOW TO BUY SHARES

CLASSES OF SHARES. The Fund offers investors four different classes of shares. The different classes of shares represent investments in the same portfolio of securities but are subject to different expenses and will likely have different share prices.

-- CLASS A SHARES. If you buy Class A shares, you pay an initial sales charge on investments up to \$1 million (up to \$500,000 for purchases by OppenheimerFunds prototype 401(k) plans.) If you purchase Class A shares as part of an investment of at least \$1 million (\$500,000 for Oppenheimer funds prototype 401(k) plans) in shares of one or more Oppenheimer funds, you will not pay an initial sales charge but if you sell any of those shares within 18 months of buying them, you may pay a contingent deferred sales charge. The amount of that sales charge will vary depending on the amount you invested. Sales charge rates are described in "Buying Class A Shares" below.

-- CLASS B SHARES. If you buy Class B shares, you pay no sales charge at the time of purchase, but if you sell your shares within six years of buying them, you will normally pay a contingent deferred sales charge, that varies depending on how long you own your shares. It is described in "Buying Class B Shares" below.

-- CLASS C SHARES. If you buy Class C shares, you pay no sales charge at the time of purchase, but if you sell your shares within 12 months of buying them, you will normally pay a contingent deferred sales charge of 1%. It is described in "Buying Class C Shares" below.

-- CLASS M SHARES. If you buy Class M shares, you pay an initial sales charge on investments up to \$1 million (up to \$500,000 for purchases by OppenheimerFunds prototype 401(k) plans.) If you purchase Class A shares as part of an investment of at least \$1 million (\$500,000 for Oppenheimer funds prototype 401(k) plans) in shares of one or more Oppenheimer funds, you will not pay an initial sales charge but if you sell any of those shares within 18 months of buying them, you may pay a contingent deferred sales charge. The amount of that sales charge will vary depending on the amount you invested. Sales charge rates are described in "Buying Class M Shares" below.

WHICH CLASS OF SHARES SHOULD YOU CHOOSE? Once you decide that the Fund is an appropriate investment for you, the decision as to which class of shares is better suited to your needs depends on a number of factors which you should discuss with your financial advisor. The Fund's operating costs that apply to a class of shares and the effect of the different types of sales charges on your investment will vary your investment results over time. The most important factors are how much you plan to invest, how long you plan to hold your investment, and whether you anticipate exchanging your shares for shares of other Oppenheimer funds (not all of which currently offer Class B or Class C Shares and none of which currently offer Class M Shares). If your goals and objectives change over time and you plan to purchase additional shares, you should re-evaluate those factors to see if you should consider another class of shares.

In the following discussion, to help provide you and your financial advisor with a framework in which to choose a class, we have made some assumptions using a hypothetical investment in the Fund. We used the sales charge rates that apply to Class A, Class B, Class C and Class M shares and considered the effect of the annual asset-based sales charge on Class B, Class C and Class M expenses (which, like all expenses, will affect your investment return). For the sake of comparison, we have assumed that there is a 10% rate of appreciation in the investment each year. Of course, the actual performance of your investment cannot be predicted and will vary, based on the Fund's actual investment returns and

-17-

the operating expenses borne by each class of shares, and which class of shares you invest in. The factors discussed below are not intended to be investment advice or recommendations, because each investor's financial considerations are different. The discussion below of the factors to consider in purchasing a particular class of shares assumes that you will purchase only one class of shares and not a combination of shares of different classes.

-- HOW LONG DO YOU EXPECT TO HOLD YOUR INVESTMENT? While future financial needs cannot be predicted with certainty, knowing how long you expect to hold your investment will assist you in selecting the appropriate class of shares. The effect of the sales charge over time, using our assumptions, will generally depend on the amount invested. The effect of class-based expenses will also depend on how much you invest.

-- Investing for the Short Term. If you have a short-term investment horizon (that is, you plan to hold your shares for less than six years), you should probably consider purchasing Class C Shares rather than Class B Shares, because of the effect of the Class B contingent deferred sales charge if you redeem in less than 6 years, as well as the effect of the Class B asset-based sales charge on the investment return for that class in the short-term. Class C shares might be the appropriate choice (especially for investments of less than \$100,000), because there is no initial sales charge on Class C shares, and the contingent deferred sales charge does not apply to amounts you sell after holding them one year.

However, if you plan to invest more than \$250,000 for the shorter term, then the more you invest and the more your investment horizon increases toward six years, Class C shares might not be as advantageous as Class A Shares or Class M Shares. That is because the annual asset-based sales charge on Class C shares will have a greater impact on your account over the longer term than the reduced front-end sales charge available for larger purchases of Class A Shares or Class M Shares. For example, Class A might be more advantageous than Class C (as well as Class B) for investments of more than \$100,000 expected to be held for 5 or 6 years (or more). For investments over \$250,000 expected to be held 4 to 6 years (or more), Class A shares may become more advantageous than Class C (and B). If investing \$500,000 or more, Class A may be more advantageous as your investment horizon approaches 3 years or more.

And for most investors who invest \$1 million or more, in most cases Class A shares will be the most advantageous choice, no matter how long you intend to hold your shares. For that reason, the Distributor normally will not accept purchase orders of \$500,000 or \$1 million or more of Class B or C shares respectively from a single investor. Of course, these examples are based on approximations of the effect of current sales charges and expenses on a hypothetical investment over time, using the assumed annual performance return stated above, and therefore should not be relied on as rigid guidelines.

-- Investing for the Longer Term. If you are investing for the longer-term, for example, for retirement, and do not expect to need access to your money for seven years or more, Class B shares may be an appropriate consideration, if you plan to invest less than \$100,000. If you plan to invest more than \$100,000 over the long term, Class A shares will likely be more advantageous than Class B

shares or C shares, as discussed above, because of the effect of the expected lower expenses for Class A shares and the reduced initial sales charges available for larger investments in Class A shares under the Fund's Right of Accumulation.

Of course, these examples are based on approximations of the effect of current sales charges and expenses on a hypothetical investment over time, using the assumptions stated above. Therefore, these examples should not be relied on as rigid guidelines.

-18-

-- ARE THERE DIFFERENCES IN ACCOUNT FEATURES THAT MATTER TO YOU? Because some account features (such as checkwriting) may not be available to Class B or Class C shareholders, or other features (such as Automatic Withdrawal Plans) may not be advisable because of the contingent deferred sales charge in non-retirement accounts) for Class B or Class C shareholders, you should carefully review how you plan to use your investment account before deciding which class of shares to buy. Additionally, the dividends payable to Class B, Class C and Class M shareholders will be reduced by the additional expenses borne by those classes that are not borne by Class A, such as the Class B, Class C and Class M asset-based sales charges described below and in the Statement of Additional Information.

-- HOW DOES IT AFFECT PAYMENTS TO MY BROKER? A salesperson, such as a broker, or any other person who is entitled to receive compensation for selling Fund shares may receive different compensation for selling one class than for selling another class. It is important that investors understand that the purpose of the Class B and Class C contingent deferred sales charges and asset-based sales charges is the same as the purpose of the front-end sales charge on sales of Class A Shares and Class M Shares: to compensate the Distributor for commissions it pays to dealers and financial institutions for selling shares.

HOW MUCH MUST YOU INVEST? Subject to certain exceptions for purchases of Class A Shares, you can open a Fund account with a minimum initial investment of \$2,000 and make additional investments at any time with as little as \$25. There are reduced minimum investments under special investment plans:

With Asset Builder Plans, Automatic Exchange Plans, 403 (b) (7) custodial plans and military allotment plans, you can make initial and subsequent investments for as little as \$25; and subsequent purchases of at least \$25 can be made by telephone through AccountLink.

Under pension and profit-sharing plans and Individual Retirement Accounts (IRAs), you can make an initial investment of as little as \$250 (if your IRA is established under an Asset Builder Plan, the \$25 minimum applies), and subsequent investments may be as little as \$25.

There is no minimum investment requirement if you are buying shares by reinvesting dividends from the Fund or other Oppenheimer funds (a list of them appears in the Statement of Additional Information, or you can ask your dealer or call the Transfer Agent), or by reinvesting distributions from unit investment trusts that have made arrangements with the Distributor.

-- HOW ARE SHARES PURCHASED? You can buy shares several ways -- through any dealer, broker or financial institution that has a sales agreement with the Distributor, or directly through the Distributor, or automatically from your bank account through an Asset Builder Plan under the Oppenheimer funds AccountLink service. When you buy shares, be sure to specify Class A, Class B, Class C or Class M shares. If you do not choose, your investment will be made in Class A shares.

-- BUYING SHARES THROUGH YOUR DEALER. Your dealer will place your order with the Distributor on your behalf.

-- BUYING SHARES THROUGH THE DISTRIBUTOR. Complete an Oppenheimer funds New Account Application and return it with a check payable to "OppenheimerFunds Distributor, Inc." Mail it to P.O. Box 5270, Denver, Colorado 80217. If you don't list a dealer on the application, the Distributor will act as your agent in buying the shares. However, we recommend that you discuss your investment first with a financial advisor, to be sure it is appropriate for you.

-- BUYING SHARES THROUGH OPPENHEIMERFUNDS ACCOUNTLINK. You can use AccountLink to link your Fund account with an account at a U.S. bank or other financial institution that is an Automated Clearing

-19-

House (ACH) member. You can then transmit funds electronically to purchase shares, to have the Transfer Agent send redemption proceeds, or to transmit dividends and distributions.

Shares are purchased for your account on AccountLink on the regular business day the Distributor is instructed by you to initiate the ACH transfer to buy shares. You can provide those instructions automatically, under an Asset Builder Plan, described below, or by telephone instructions using OppenheimerFunds PhoneLink, also described below. You should request AccountLink privileges on the application or dealer settlement instructions used to establish your account. Please refer to "AccountLink" below for more details.

-- ASSET BUILDER PLANS. You may purchase shares of the Fund (and up to four other Oppenheimer funds) automatically each month from your account at a bank or other financial institution under an Asset Builder Plan with AccountLink. Details are on the Application and in the Statement of Additional Information.

-- AT WHAT PRICE ARE SHARES SOLD? Shares are sold at the public offering price based on the net asset value (and any initial sales charge that applies) that is next determined after the Distributor receives the purchase order in Denver. In most cases, to enable you to receive that day's offering price, the Distributor must receive your order by the time of day The New York Stock Exchange closes, which is normally 4:00 P.M., New York time, but may be earlier on some days (all references to time in this Prospectus mean "New York time"). The net asset value of each class of shares is determined as of that time on each day The New York Stock Exchange is open (which is a "regular business day").

If you buy shares through a dealer, the dealer must receive your order by the close of The New York Stock Exchange, on a regular business day and transmit it to the Distributor so that it is received before the Distributor's close of business that day, which is normally 5:00 P.M. The Distributor may reject any purchase order for the Fund's shares, in its sole discretion.

BUYING CLASS A SHARES. Class A shares are sold at their offering price, which is normally net asset value plus an initial sales charge. However, in some cases, described below, purchases are not subject to an initial sales charge, and the offering price will be the net asset value. Special minimum investment requirements may apply. In some cases, reduced sales charges may be available, as described below. Out of the amount you invest, the Fund receives the net asset value to invest for your account. The sales charge varies depending on the amount of your purchase. A portion of the sales charge may be retained by the Distributor and allocated to your dealer. The current sales charge rates and commissions paid to dealers and brokers are as follows:

Amount of Purchase	Front-End Sales Charge as Percentage of Offering Price	Front-End Sales Charge as Percentage of Amount Invested	Commission as Percentage of Offering Price
Less than \$25,000	5.75%	6.10%	4.75%
\$25,000 or more but less than \$50,000	5.50%	5.82%	4.75%
\$50,000 or more but less than \$100,000	4.75%	4.99%	4.00%
\$100,000 or more but less than \$250,000	3.75%	3.90%	3.00%
\$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%

The Distributor reserves the right to reallocate the entire commission to dealers. If that occurs, the dealer may be considered an "underwriter" under Federal securities laws.

-- CLASS A CONTINGENT DEFERRED SALES CHARGE. There is no initial sales charge on purchases of Class A shares of any one or more of the OppenheimerFunds in the following cases:

-- Purchases aggregating \$1 million or more; or

-- Purchases by an OppenheimerFunds prototype 401(k) plan that: (1) buys shares costing \$500,000 or more, or (2) has, at the time of purchase, 100 or more

eligible participants, or (3) certifies that it projects to have annual plan purchases of \$200,000 or more.

Shares of any of the OppenheimerFunds that offers only one class of shares that has no designation are considered "Class A" shares for this purpose. The Distributor pays dealers of record commissions on those purchases in an amount equal to the sum of 1.0% of the first \$2.5 million, plus 0.50% of the next \$2.5 million, plus 0.25% of purchases over \$5 million. That commission will be paid only on the amount of those purchases in excess of \$1 million (\$500,000 for purchases by OppenheimerFunds prototype 401(k) plans) that were not previously subject to a front-end sales charge and dealer commission.

If you redeem any of those shares within 18 months of the end of the calendar month of their purchase, a contingent deferred sales charge (called the "Class A contingent deferred sales charge") may be deducted from the redemption proceeds. That sales charge will be equal to either (1) 1.0% of the aggregate net asset value of the redeemed shares (not including shares purchased by reinvestment of dividends or capital gain distributions) or (2) the original cost of the shares, whichever is less. However, the Class A contingent deferred sales charge will not exceed the aggregate amount of the commissions the Distributor paid to your dealer on all Class A shares of all OppenheimerFunds you purchased subject to the Class A contingent deferred sales charge.

In determining whether a contingent deferred sales charge is payable, the Fund will first redeem shares that are not subject to the sales charge, including shares purchased by reinvestment of dividends and capital gains, and then will redeem other shares in the order that you purchased them. The Class A contingent deferred sales charge is waived in certain cases described in "Waivers of Class A Sales Charges" below.

No Class A contingent deferred sales charge is charged on exchanges of shares under the Fund's exchange privilege (described below). However, if the shares acquired by exchange are redeemed within 18 months of the end of the calendar month of the purchase of the exchanged shares, the sales charge will apply.

-21-

-- SPECIAL ARRANGEMENTS WITH DEALERS. The Distributor may advance up to 13 months' commissions to dealers that have established special arrangements with the Distributor for Asset Builder Plans for their clients. Dealers whose sales of Class A shares of OppenheimerFunds (other than money market funds) under OppenheimerFunds-sponsored 403(b)(7) custodial plans exceed \$5 million per year (calculated per quarter), will receive monthly one-half of the Distributor's retained commissions on those sales, and if those sales exceed \$10 million per year, those dealers will receive the Distributor's entire retained commission on those sales.

REDUCED SALES CHARGES FOR CLASS A SHARE PURCHASES. You may be eligible to buy Class A shares at reduced sales charge rates in one or more of the following ways:

-- RIGHT OF ACCUMULATION. To qualify for the lower sales charge rates that apply to larger purchases of Class A shares, you and your spouse can add together Class A and Class B shares you purchase for your individual accounts, or jointly, or for trust or custodial accounts on behalf of your children who are minors. A fiduciary can count all shares purchased for a trust, estate or other fiduciary account (including one or more employee benefit plans of the same employer) that has multiple accounts.

Additionally, you can add together current purchases of Class A and Class B shares of the Fund and other OppenheimerFunds to reduce the sales charge rate that applies to current purchases of Class A shares. You can also include Class A and Class B shares of OppenheimerFunds you previously purchased subject to an initial or contingent deferred sales charge to reduce the sales charge rate for current purchases of Class A shares, provided that you still hold your investment in one of the OppenheimerFunds. The value of those shares will be based on the greater of the amount you paid for the shares or their current value (at offering price). The OppenheimerFunds are listed in "Reduced Sales Charges" in the Statement of Additional Information, or a list can be obtained from the Distributor. The reduced sales charge will apply only to current purchases and must be requested when you buy your shares.

-- LETTER OF INTENT. Under a Letter of Intent, if you purchase Class A shares or Class A shares and Class B shares of the Fund and other OppenheimerFunds during a 13-month period, you can reduce the sales charge rate that applies to your purchases of Class A shares. The total amount of your intended purchases of both Class A and Class B shares will determine the reduced sales charge rate for the Class A shares purchased during that period. This can include purchases made up to 90 days before the date of the Letter. More information is contained in the Application and in "Reduced Sales Charges" in the Statement of Additional

Information.

-- WAIVERS OF CLASS A SALES CHARGES. The Class A sales charges are not imposed in the circumstances described below. There is an explanation of this policy in "Reduced Sales Charges" in the Statement of Additional Information.

Waivers of Initial and Contingent Deferred Sales Charges for Certain Purchasers. Class A shares purchased by the following investors are not subject to any Class A sales charges:

-- the Manager or its affiliates;

-- present or former officers, directors, trustees and employees (and their "immediate families" as defined in "Reduced Sales Charges" in the Statement of Additional Information) of the Fund, the Manager and its affiliates, and retirement plans established by them for their employees;

-- registered management investment companies, or separate accounts of insurance companies having an agreement with the Manager or the Distributor for that purpose;

-22-

-- dealers or brokers that have a sales agreement with the Distributor, if they purchase shares for their own accounts or for retirement plans for their employees;

-- employees and registered representatives (and their spouses) of dealers or brokers described above or financial institutions that have entered into sales arrangements with such dealers or brokers (and are identified to the Distributor) or with the Distributor; the purchaser must certify to the Distributor at the time of purchase that the purchase is for the purchaser's own account (or for the benefit of such employee's spouse or minor children);

-- 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 their clients (those clients may be charged a transaction fee by their dealer, broker or adviser for the purchase or sale of Fund shares); or

-- dealers, brokers or registered investment advisers that have entered into an agreement with the Distributor to sell shares to defined contribution employee retirement plans for which the dealer, broker or investment adviser provides administration services.

-- the following types of accounts, collectively referred to hereinafter as "Qualified Institutions", which meet a \$50,000 minimum investment requirement: (1) discretionary accounts of registered investment advisers who charge an investment advisory fee; (2) banks and trust institutions investing for their own accounts or for accounts of their trust customers; (3) qualified plans under ERISA, and (4) government entities or authorities.

Waivers of Initial and Contingent Deferred Sales Charges in Certain Transactions. Class A shares issued or purchased in the following transactions are not subject to Class A sales charges:

-- shares issued in plans of reorganization, such as mergers, asset acquisitions and exchange offers, to which the Fund is a party;

-- shares purchased by the reinvestment of loan repayments by a participant in a retirement plan for which the Manager or its affiliates acts as sponsor;

-- shares purchased by the reinvestment of dividends or other distributions reinvested from the Fund or other Oppenheimer Funds (other than Oppenheimer Cash Reserves) or unit investment trusts for which reinvestment arrangements have been made with the Distributor; or

-- shares purchased and paid for with the proceeds of shares redeemed in the past 12 months from a mutual fund (other than a fund managed by the Manager or any of its subsidiaries) on which an initial sales charge or contingent deferred sales charge was paid (this waiver also applies to shares purchased by exchange of shares of Oppenheimer Money Market Fund, Inc. that were purchased and paid for in this manner); this waiver must be requested when the purchase order is placed for your shares of the Fund, and the Distributor may require evidence of your qualification for this waiver.

Waivers of the Class A Contingent Deferred Sales Charge for Certain Redemptions. The Class A contingent deferred sales charge is also waived if shares that would otherwise be subject to the contingent deferred sales charge are redeemed in the following cases:

-- for retirement distributions or loans to participants or beneficiaries from qualified retirement plans, deferred compensation plans or other employee benefit plans, including OppenheimerFunds prototype 401(k) plans (these are all referred to as "Retirement Plans");

-23-

-- to return excess contributions made to Retirement Plans;

-- to make Automatic Withdrawal Plan payments that are limited annually to no more than 12% of the original account value;

-- involuntary redemptions of shares by operation of law or involuntary redemptions of small accounts (see "Shareholder Account Rules and Policies," below);

-- if, at the time a purchase order is placed for Class A shares that would otherwise be subject to the Class A contingent deferred sales charge, the dealer agrees in writing to accept the dealer's portion of the commission payable on the sale in installments of 1/18th of the commission per month (and no further commission will be payable if the shares are redeemed within 18 months of purchase); or

-- for distributions from OppenheimerFunds prototype 401(k) plans for any of the following cases or purposes: (1) following the death or disability (as defined in the Internal Revenue Code) of the participant or beneficiary (the death or disability must occur after the participant's account was established); (2) hardship withdrawals, as defined in the plan; (3) under a Qualified Domestic Relations Order, as defined in the Internal Revenue Code; (4) to meet the minimum distribution requirements of the Internal Revenue Code; (5) to establish "substantially equal periodic payments" as described in Section 72(t) of the Internal Revenue Code, or (6) separation from service.

-- SERVICE PLAN FOR CLASS A SHARES. The Fund has adopted a Service Plan for Class A shares to reimburse the Distributor for a portion of its costs incurred in connection with the personal service and maintenance of shareholder accounts that hold Class A shares. Reimbursement is made quarterly at an annual rate that may not exceed 0.25% of the average annual net assets of Class A shares of the Fund. The Distributor uses all of those fees to compensate dealers, brokers, banks and other financial institutions quarterly for providing personal service and maintenance of accounts of their customers that hold Class A shares and to reimburse itself (if the Fund's Board of Trustees authorizes such reimbursements, which it has not yet done) for its other expenditures under the Plan.

Services to be provided include, among others, answering customer inquiries about the Fund, assisting in establishing and maintaining accounts in the Fund, making the Fund's investment plans available and providing other services at the request of the Fund or the Distributor. Payments are made by the Distributor quarterly at an annual rate not to exceed 0.25% of the average annual net assets of Class A shares held in accounts of the dealer or its customers. The payments under the Plan increase the annual expenses of Class A shares. For more details, please refer to "Distribution and Service Plans" in the Statement of Additional Information.

BUYING CLASS B SHARES. Class B shares are sold at net asset value per share without an initial sales charge. However, if Class B shares are redeemed within 6 years of their purchase, a contingent deferred sales charge will be deducted from the redemption proceeds. That sales charge will not apply to shares purchased by the reinvestment of dividends or capital gains distributions. The charge will be assessed on the lesser of the net asset value of the shares at the time of redemption or the original purchase price. The contingent deferred sales charge is not imposed on the amount of your account value represented by an increase in net asset value over the initial purchase price (including increases due to the reinvestment of dividends and capital gains distributions). The Class B contingent deferred sales charge is paid to the Distributor to reimburse its expenses of providing distribution-related services to the Fund in connection with the sale of Class B shares.

To determine whether the contingent deferred sales charge applies to a redemption, the Fund redeems shares in the following order: (1) shares acquired by reinvestment of dividends and capital gains distributions, (2) shares held for over 6 years, and (3) shares held the longest during the 6-year period.

-24-

The amount of the contingent deferred sales charge will depend on the number of years since you invested and the dollar amount being redeemed, according to the following schedule:

Years Since Beginning of Month In Which Purchase Order Was Accepted	Contingent Deferred Sales Charge on Redemptions in that Year (As % of Amount Subject to Charge)
0 - 1	5.0%
1 - 2	4.0%
2 - 3	3.0%
3 - 4	3.0%
4 - 5	2.0%
5 - 6	1.0%
6 and following	None

In the table, a "year" is a 12-month period. All purchases are considered to have been made on the first regular business day of the month in which the purchase was made.

-- AUTOMATIC CONVERSION OF CLASS B SHARES. 72 months after you purchase Class B shares, those shares will automatically convert to Class A shares. This conversion feature relieves Class B shareholders of the asset-based sales charge that applies to Class B shares under the Class B Distribution and Service Plan, described below. The conversion is based on the relative net asset value of the two classes, and no sales load or other charge is imposed. When Class B shares convert, any other Class B shares that were acquired by the reinvestment of dividends and distributions on the converted shares will also convert to Class A shares. The conversion feature is subject to the continued availability of a tax ruling described in "Alternative Sales Arrangements -- Class A, Class B and Class C Shares" in the Statement of Additional Information.

BUYING CLASS C SHARES. Class C shares are sold at net asset value per share without an initial sales charge. However, if Class C shares are redeemed within 12 months of their purchase, a contingent deferred sales charge of 1.0% will be deducted from the redemption proceeds. That sales charge will not apply to shares purchased by the reinvestment of dividends or capital gains distributions. The charge will be assessed on the lesser of the net asset value of the shares at the time of redemption or the original purchase price. The contingent deferred sales charge is not imposed on the amount of your account value represented by the increase in net asset value over the initial purchase price (including increases due to the reinvestment of dividends and capital gains distributions). The Class C contingent deferred sales charge is paid to the Distributor to reimburse its expenses of providing distribution-related services to the Fund in connection with the sale of Class C shares.

To determine whether the contingent deferred sales charge applies to a redemption, the Fund redeems shares in the following order: (1) shares acquired by reinvestment of dividends and capital gains distributions, (2) shares held for over 12 month, and (3) shares held the longest during the 12-month period.

-- DISTRIBUTION AND SERVICE PLANS FOR CLASS B AND CLASS C SHARES. The Fund has adopted Distribution and Service Plans for Class B and Class C shares to compensate the Distributor for its services and costs in distributing Class B and Class C Shares and servicing accounts. Under the Plans, the Fund pays the Distributor an annual "asset-based sales charge" of 0.75% per year on Class B Shares that are outstanding for 6 years or less and on Class C Shares. The Distributor also receives a service fee of 0.25% per year.

-25-

Under each Plan, both fees are computed on the average of the net asset value of shares in the respective class, determined as of the close of each regular business day during the period. The asset-based sales charge allows investors to buy Class B or Class C Shares without a front-end sales charge while allowing the Distributor to compensate dealers that sell those shares. The asset-based sales charge and service fees increase Class B and Class C expenses by up to 1.00% of average net assets per year.

The Distributor uses the service fees to compensate dealers for providing personal services for accounts that hold Class B or Class C Shares. Those services are similar to those provided under the Class A Service Plan, described

above. The Distributor pays the 0.25% service fees to dealers in advance for the first year after Class B or Class C Shares have been sold by the dealer and retains the service fee paid by the Fund in that year. After the shares have been held for a year, the Distributor pays the service fees to dealers on a quarterly basis.

The Distributor currently pays sales commissions of 3.75% of the purchase price of Class B Shares to dealers from its own resources at the time of sale. The total amount paid by the Distributor to the dealer at the time of sales of Class B Shares is therefore 4.00% of the purchase price. The Fund pays the asset-based sales charge to the Distributor for its services rendered in distributing Class B Shares. Those payments are retained by the Distributor, and are at a fixed rate that is not related to the Distributor's expenses. The services rendered by the Distributor include paying and financing the payment of sales commissions, service fees and other costs of distributing and selling Class B Shares.

The Distributor currently pays sales commissions of 0.75% of the purchase price of Class C Shares to dealers from its own resources at the time of sale. The total amount paid by the Distributor to the dealer at the time of sale of Class C Shares is therefore 1.00% of the purchase price. The Distributor retains the asset-based sales charge during the first year Class C Shares are outstanding to recoup the sales commissions it has paid, the advances of service fee payments it has made, and its financing costs and other expenses. The Distributor plans to pay the asset-based sales charge as an ongoing commission to the dealer on Class C Shares that have been outstanding for a year or more.

The Distributor's actual expenses in selling Class B and Class C Shares may be more than the payments it receives from contingent deferred sales charges collected on redeemed shares and from the Fund under the Distribution and Service Plans for Class B and Class C Shares. Therefore, those expenses may be carried over and paid in future years. At December 31, 1995, the end of the Class B Plan year, the Distributor had incurred unreimbursed expenses under the Plan of \$_____ (equal to ___% of the Fund's net assets represented by Class B Shares on that date), which have been carried over into the present Plan year. If either Plan is terminated by the Fund, the Board of Trustees may allow the Fund to continue payments of the asset-based sales charge to the Distributor for distributing shares before the Plan was terminated.

-- WAIVERS OF CLASS B AND CLASS C SALES CHARGES. The Class B and Class C contingent deferred sales charge will not be applied to shares purchased in certain types of transactions nor will it apply to Class B and Class C shares redeemed in certain circumstances as described below. The reasons for this policy are in "Reduced Sales Charges" in the Statement of Additional Information.

Waivers for Redemptions of Shares in Certain Cases. The Class B and Class C contingent deferred sales charge will be waived for redemptions of shares in the following cases:

-- distributions to participants or beneficiaries from Retirement Plans, if the distributions are made (a) under an Automatic Withdrawal Plan after the participant reaches age 59 1/2, as long as the payments are no more than 10% of the account value annually (measured from the date the Transfer Agent receives the request), or (b) following the death or disability (as defined in the Internal Revenue Code) of the participant or beneficiary (the death or disability must have occurred after the account was established);

-26-

-- redemptions from accounts other than Retirement Plans following the death or disability of the last surviving shareholder (the death or disability must have occurred after the account was established and for disability you must provide evidence of a determination of disability by the Social Security Administration);

-- returns of excess contributions to Retirement Plans, and

-- distributions from IRAs (including SEP-IRAs and SAR/SEP accounts) before the participant is age 59 1/2, and distributions from 403(b)(7) custodial plans or pension or profit sharing plans before the participant is age 59 1/2 but only after the participant has separated from service, if the distributions are made in substantially equal periodic payments over the life (or life expectancy) of the participant or the joint lives (or joint life and last survivor expectancy) of the participant and the participant's designated beneficiary (and the distributions must comply with other requirements for such distributions under the Internal Revenue Code and may not exceed 10% of the account value annually, measured from the date the Transfer Agent receives the request);

-- shares redeemed involuntarily, as described in "Shareholder Account Rules and Policies," below; or

-- distributions from OppenheimerFunds prototype 401(k) plans (1) for hardship withdrawals; (2) under a Qualified Domestic Relations Order, as defined in the Internal Revenue Code; (3) to meet minimum distribution requirements as defined in the Internal Revenue Code; (4) to make "substantially equal periodic payments" as described in Section 72(t) of the Internal Revenue Code; or (5) for separation from service.

Waivers for Shares Sold or Issued in Certain Transactions. The contingent deferred sales charge is also waived on Class B and Class C shares in the following cases:

-- shares sold to the Manager or its affiliates;

-- shares sold to registered management investment companies or separate accounts of insurance companies having an agreement with the Manager or the Distributor for that purpose; or

-- shares issued in plans of reorganization to which the Fund is a party.

-- BUYING CLASS M SHARES. Class M Shares are sold at their offering price, which is normally net asset value plus an initial sales charge. However, in some cases, described below, purchases are not subject to an initial sales charge, and the offering price will be the net asset value. Special minimum investment requirements may apply. In some cases, reduced sales charges may be available, as described below. Out of the amount you invest, the Fund receives the net asset value to invest for your account. The sales charge varies depending on the amount of your purchase. A portion of the sales charge may be retained by the Distributor and allocated to your dealer as a commission. The current sales charge rates and commissions paid to dealers and brokers are as follows:

Amount	Front End Sales Charge as a Percentage of:		Commission as a Percentage of:
	Offering Price	Amount Invested	Offering Price
Less than \$250,000	3.25%	3.36%	3.00%
\$250,000 or more but less than \$5,00,000	2.25%	2.30%	2.00%
\$500,000 or more but less than \$999,999	1.25%	1.27%	1.00%

Purchases of \$1,000,000 or more may be made without a sales charge. The Distributor reserves the right to reallocate the entire commission to dealers. If that occurs, the dealer may be considered an "underwriter" under Federal securities laws.

-- SPECIAL ARRANGEMENTS WITH DEALERS. The Distributor may advance up to 13 months' commissions to dealers that have established special arrangements with the Distributor for Asset Builder Plans for their clients. Dealers whose sales of Class M Shares of Oppenheimer funds (other than money market funds) under OppenheimerFunds-sponsored 403(b)(7) custodial plans exceed \$5 million per year (calculated per quarter), will receive monthly one-half of the Distributor's retained commissions on those sales, and if those sales exceed \$10 million per year, those dealers will receive the Distributor's entire retained commission on those sales.

REDUCED SALES CHARGES FOR CLASS M SHARE PURCHASES. You may be eligible to buy Class M Shares at reduced sales charge rates in one or more of the following ways:

-- RIGHT OF ACCUMULATION. To qualify for the lower sales charge rates that apply to larger purchases of Class M Shares, you and your spouse can add together Class A, Class B and Class M Shares you purchase for your individual accounts, or jointly, or for trust or custodial accounts on behalf of your children who are minors. A fiduciary can count all shares purchased for a trust, estate or other fiduciary account (including one or more employee benefit plans of the same employer) that has multiple accounts.

Additionally, you can add together current purchases of Class A and Class B shares of the Fund and other Oppenheimer funds to reduce the sales charge rate that applies to current purchases of Class M Shares. You can also count Class A and Class B shares of Oppenheimer funds you previously purchased subject to an initial or contingent deferred sales charge to reduce the sales charge rate for

current purchases of Class M Shares, provided that you still hold your investment in one of the Oppenheimer funds. The value of those shares will be based on the greater of the amount you paid for the shares or their current value (at offering price). The Oppenheimer funds are listed in "Reduced Sales Charges" in the Statement of Additional Information, or a list can be obtained from the Distributor. The reduced sales charge will apply only to current purchases and must be requested when you buy your shares.

-- LETTER OF INTENT. Under a Letter of Intent, you may purchase Class M Shares or Class A shares and Class B shares of the Fund and other Oppenheimer funds during a 13-month period, you can reduce the sales charge rate that applies to your purchases of Class M Shares. The total amount of your intended purchases of both Class A and Class B will determine the reduced sales charge rate for the Class M Shares purchased during that period. This can include purchases made up to 90 days before the date of the Letter. More information is contained in the Application and in "Reduced Sales Charges" in the Statement of Additional Information.

-- WAIVERS OF CLASS M SALES CHARGES. The Class A sales charges are not imposed in the circumstances described below. There is an explanation of this policy in "Reduced Sales Charges" in the Statement of Additional Information.

Waivers of Initial and Contingent Deferred Sales Charges for Certain Purchasers. Class M Shares purchased by the following investors are not subject to any Class A sales charges:

-- the Manager or its affiliates;

-- present or former officers, directors, trustees and employees (and their "immediate families" as defined in "Reduced Sales Charges" in the Statement of Additional Information) of the Fund, the Manager and its affiliates, and retirement plans established by them for their employees;

-28-

-- registered management investment companies, or separate accounts of insurance companies having an agreement with the Manager or the Distributor for that purpose;

-- dealers or brokers that have a sales agreement with the Distributor, if they purchase shares for their own accounts or for retirement plans for their employees;

-- employees and registered representatives (and their spouses) of dealers or brokers described above or financial institutions that have entered into sales arrangements with such dealers or brokers (and are identified to the Distributor) or with the Distributor; the purchaser must certify to the Distributor at the time of purchase that the purchase is for the purchaser's own account (or for the benefit of such employee's spouse or minor children);

-- 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 their clients (those clients may be charged a transaction fee by their dealer, broker or adviser on the purchase or sale of Fund shares); and

-- dealers, brokers or registered investment advisers that have entered into an agreement with the Distributor to sell shares to defined contribution employee retirement plans for which the dealer, broker or investment adviser provides administrative services.

-- GROUP PURCHASES. An individual who is a member of a qualified group may also purchase Class M Shares of the Fund at the reduced sales load applicable to the group taken as a whole. The sales load is based upon the aggregate amount of Class M Shares previously purchased and still owned by the group, plus the securities currently being purchased. A "qualified group" is one with more than 10 members and which (1) has been in existence for more than six months, (2) has a purpose other than acquiring Class M Shares of the Fund at a discount and (3) satisfies uniform criteria which enables the Distributor to realize economies of scale in its costs of distributing Class M Shares.

-- Distribution and Service Plan for Class M Shares. The Fund has adopted a Distribution and Service Plan for Class M Shares to compensate the Distributor for distributing Class M Shares and servicing accounts. Under the Plan, the Fund pays the Distributor an annual "asset-based sales charge" of 0.50% per year on Class M Shares that are outstanding. The Distributor also receives a service fee of 0.25% per year. Both fees are computed on the average annual net assets of Class M Shares, determined as of the close of each regular business day. The asset-based sales charge allows investors to buy Class A while allowing the Distributor to compensate dealers that sell Class M Shares.

The Distributor uses the service fee to compensate dealers for providing personal services for accounts that hold Class M Shares. The asset-based sales charge and service fee increase Class A expenses by ____% of average net assets per year.

The Fund pays the asset-based sales charge to the Distributor for its services rendered in connection with the distribution of Class M Shares. Those payments, retained by the Distributor, are at a fixed rate which is not related to the Distributor's expenses. The services rendered by the Distributor include paying and financing the payment of sales commissions, service fees, and other costs of distributing and selling Class M Shares. If the Plan is terminated by the Fund, the Board of Trustees may allow the Fund to continue payments of the asset-based sales charge to the Distributor for distributing Class M Shares before the Plan was terminated.

-29-

SPECIAL INVESTOR SERVICES

ACCOUNTLINK. OppenheimerFunds AccountLink links your Fund account to your account at your bank or other financial institution to enable you to send money electronically between those accounts to perform a number of types of account transactions. These include purchases of shares by telephone (either through a service representative or by PhoneLink, described below), automatic investments under Asset Builder Plans, and sending dividends and distributions or Automatic Withdrawal Plan payments directly to your bank account. Please refer to the Application for details or call the Transfer Agent for more information.

AccountLink privileges must be requested on the Application you use to buy shares, or on your dealer's settlement instructions if you buy your shares through your dealer. After your account is established, you can request AccountLink privileges on signature-guaranteed instructions to the Transfer Agent. AccountLink privileges will apply to each shareholder listed in the registration on your account as well as to your dealer representative of record unless and until the Transfer Agent receives written instructions terminating or changing those privileges. After you establish AccountLink for your account, any change of bank account information must be made by signature-guaranteed instructions to the Transfer Agent signed by all shareholders who own the account.

-- USING ACCOUNTLINK TO BUY SHARES. Purchases may be made by telephone only after your account has been established. To purchase shares in amounts up to \$250,000 through a telephone representative, call the Distributor at 1-800-852-8457. The purchase payment will be debited from your bank account.

-- PHONELINK. PhoneLink is the OppenheimerFunds automated telephone system that enables shareholders to perform a number of account transactions automatically using a touch-tone phone. PhoneLink may be used on already-established Fund accounts after you obtain a Personal Identification Number (PIN), by calling the special PhoneLink number: 1-800-533-3310.

-- Purchasing Shares. You may purchase shares in amounts up to \$100,000 by phone, by calling 1-800- 533-3310. You must have established AccountLink privileges to link your bank account with the Fund, to pay for these purchases.

-- Exchanging Shares. With the OppenheimerFunds exchange privilege, described below, you can exchange shares automatically by phone from your Fund account to another Oppenheimer funds account you have already established by calling the special PhoneLink number. Please refer to "How to Exchange Shares," below, for details.

-- Selling Shares. You can redeem shares by telephone automatically by calling the PhoneLink number and the Fund will send the proceeds directly to your AccountLink bank account. Please refer to "How to Sell Shares," below, for details.

AUTOMATIC WITHDRAWAL AND EXCHANGE PLANS. The Fund has several plans that enable you to sell shares automatically or exchange them to another OppenheimerFunds account on a regular basis:

-- AUTOMATIC WITHDRAWAL PLANS. If your Fund account is \$5,000 or more, you can establish an Automatic Withdrawal Plan to receive payments of at least \$50 on a monthly, quarterly, semi-annual or annual basis. The checks may be sent to you or sent automatically to your bank account on AccountLink. You may even set up certain types of withdrawals of up to \$1,500 per month by telephone. You should consult the Application and Statement of Additional Information for more details.

-- AUTOMATIC EXCHANGE PLANS. You can authorize the Transfer Agent to exchange an

amount you establish in advance automatically for shares of up to five other Oppenheimer funds on a monthly,

-30-

quarterly, semi-annual or annual basis under an Automatic Exchange Plan. The minimum purchase for each OppenheimerFunds account is \$25. These exchanges are subject to the terms of the Exchange Privilege, described below.

REINVESTMENT PRIVILEGE. If you redeem some or all of your Class A or Class B shares of the Fund, you have up to 6 months to reinvest all or part of the redemption proceeds in Class A or B shares of the Fund or other Oppenheimer funds without paying a sales charge. This privilege applies to Class M Shares that you purchased subject to an initial sales charge and to Class A or Class B shares on which you paid a contingent deferred sales charge when you redeemed them. It does not apply to Class C shares. You must be sure to ask the Distributor for this privilege when you send your payment. Please consult the Statement of Additional Information for more details.

RETIREMENT PLANS. Fund shares are available as an investment for your retirement plans. If you participate in a plan sponsored by your employer, the plan trustee or administrator must make the purchase of shares for your retirement plan account. The Distributor offers a number of different retirement plans that can be used by individuals and employers:

-- Individual Retirement Accounts including rollover IRAs, for individuals and their spouses

-- 403(b)(7) Custodial Plans for employees of eligible tax-exempt organizations, such as schools, hospitals and charitable organizations

-- SEP-IRAs (Simplified Employee Pension Plans) for small business owners or people with income from self-employment, including SAR/SEP-IRAs

-- Pension and Profit-Sharing Plans for self-employed persons and small business owners

-- 401(k) prototype retirement plans for businesses

Please call the Distributor for the OppenheimerFunds plan documents, which contain important information and applications.

HOW TO SELL SHARES

You can arrange to take money out of your account on any regular business day by selling (redeeming) some or all of your shares. Your shares will be sold at the next net asset value calculated after your order is received and accepted by the Transfer Agent. The Fund offers you a number of ways to sell your shares: in writing or by telephone. You can also set up Automatic Withdrawal Plans to redeem shares on a regular basis, as described above. If you have questions about any of these procedures, and especially if you are redeeming shares in a special situation, such as due to the death of the owner, or from a retirement plan, please call the Transfer Agent first, at 1-800-525-7048, for assistance.

-- **RETIREMENT ACCOUNTS.** To sell shares in an OppenheimerFunds retirement account in your name, call the Transfer Agent for a distribution request form. There are special income tax withholding requirements for distributions from retirement plans and you must submit a withholding form with your request to avoid delay. If your retirement plan account is held for you by your employer, you must arrange for the distribution request to be sent by the plan administrator or trustee. There are additional details in the Statement of Additional Information.

-31-

-- **CERTAIN REQUESTS REQUIRE A SIGNATURE GUARANTEE.** To protect you and the Fund from fraud, certain redemption requests must be in writing and must include a signature guarantee in the following situations (there may be other situations also requiring a signature guarantee):

-- You wish to redeem more than \$50,000 worth of shares and receive a check

-- The redemption check is not payable to all shareholders listed on the account statement

-- The redemption check is not sent to the address of record on your account statement

-- Shares are being transferred to a Fund account with a different owner or name

-- Shares are redeemed by someone other than the owners (such as an Executor)

-- WHERE CAN I HAVE MY SIGNATURE GUARANTEED? The Transfer Agent will accept a guarantee of your signature by a number of financial institutions, including: a U.S. bank, trust company, credit union or savings association, or by a foreign bank that has 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, a registered securities association or a clearing agency. If you are signing on behalf of a corporation, partnership or other business, or as a fiduciary, you must also include your title in the signature.

SELLING SHARES BY MAIL. Write a "letter of instructions" that includes:

-- Your name

-- The Fund's name

-- Your Fund account number (from your account statement)

-- The dollar amount or number of shares to be redeemed

-- Any special payment instructions

-- Any share certificates for the shares you are selling

-- The signatures of all registered owners exactly as the account is registered, and

-- Any special requirements or documents requested by the Transfer Agent to assure proper authorization of the person asking to sell shares.

USE THE FOLLOWING ADDRESS FOR
REQUESTS BY MAIL:

OppenheimerFunds Services
P.O. Box 5270
Denver, Colorado 80217

SEND COURIER OR EXPRESS MAIL
REQUESTS TO:

OppenheimerFunds Services
10200 E. Girard Avenue, Building D
Denver, Colorado 80231

SELLING SHARES BY TELEPHONE. You and your dealer representative of record may also sell your shares by telephone. To receive the redemption price on a regular business day, your call must be received by the Transfer Agent by the close of The New York Stock Exchange that day, which is normally 4:00 P.M., but may be earlier on some days. Shares held in an OppenheimerFunds retirement plan or under a share certificate may not be redeemed by telephone.

-- To redeem shares through a service representative, call 1-800-852-8457

-- To redeem shares automatically on PhoneLink, call 1-800-533-3310

-32-

Whichever method you use, you may have a check sent to the address on the account statement, or, if you have linked your Fund account to your bank account on AccountLink, you may have the proceeds wired to that bank account.

-- TELEPHONE REDEMPTIONS PAID BY CHECK. Up to \$50,000 may be redeemed by telephone in any 7-day period. The check must be payable to all owners of record of the shares and must be sent to the address on the account. This service is not available within 30 days of changing the address on an account.

-- TELEPHONE REDEMPTIONS THROUGH ACCOUNTLINK. There are no dollar limits on telephone redemption proceeds sent to a bank account designated when you establish AccountLink. Normally the ACH wire to your bank is initiated on the business day after the redemption. You do not receive dividends on the proceeds of the shares you redeemed while they are waiting to be wired.

CHECKWRITING. To be able to write checks against your Fund account, you may request that privilege on your account Application or you can contact the Transfer Agent for signature cards, which must be signed (with a signature guarantee) by all owners of the account and returned to the Transfer Agent so that checks can be sent to you to use. Shareholders with joint accounts can elect in writing to have checks paid over the signature of one owner.

-- Checks can be written to the order of whomever you wish, but may not be cashed at the Fund's bank or custodian.

-- Checkwriting privileges are not available for accounts holding Class B shares, Class C shares or Class M Shares that are subject to a contingent deferred sales charge.

-- Checks must be written for at least \$100.

-- Checks cannot be paid if they are written for more than your account value.

Remember: your shares fluctuate in value and you should not write a check close to the total account value.

-- You may not write a check that would require the Fund to redeem shares that were purchased by check or Asset Builder Plan payments within the prior 15 days.

-- Don't use your checks if you changed your Fund account number.

SELLING SHARES THROUGH YOUR DEALER. The Distributor has made arrangements to repurchase Fund shares from dealers and brokers on behalf of their customers. Brokers or dealers may charge for that service. Please refer to "Special Arrangements for Repurchase of Shares from Dealers and Brokers" in the Statement of Additional Information for more details.

HOW TO EXCHANGE SHARES

Shares of the Fund may be exchanged for shares of certain Oppenheimer funds at net asset value per share at the time of exchange, without sales charge.

-- Shares of the fund selected for exchange must be available for sale in your state of residence

-- The prospectuses of this Fund and the fund whose shares you want to buy must offer the exchange privilege

-- You must hold the shares you buy when you establish your account for at least 7 days before you can exchange them; after the account is open 7 days, you can exchange shares every regular business day

-33-

-- You must meet the minimum purchase requirements for the fund you purchase by exchange

-- Before exchanging into a fund, you should obtain and read its prospectus

Shares of a particular class may be exchanged only for shares of the same class in the other Oppenheimer funds. For example, you can exchange Class M Shares of this Fund only for Class M Shares of another fund. At present, not all of the Oppenheimer funds offer Class B, Class C shares or Class M shares. If a fund has only one class of shares that does not have a class designation, they are "Class A" shares for exchange purposes. A list showing which funds offer which classes can be obtained by calling the Distributor at 1-800-525-7048. In some cases, sales charges may be imposed on exchange transactions. Please refer to "How to Exchange Shares" in the Statement of Additional Information for more details.

Exchanges may be requested in writing or by telephone:

-- WRITTEN EXCHANGE REQUESTS. Submit an OppenheimerFunds Exchange Request form, signed by all owners of the account. Send it to the Transfer Agent at the addresses listed in "How to Sell Shares."

-- TELEPHONE EXCHANGE REQUESTS. Telephone exchange requests may be made either by calling a service representative at 1-800-852-8457 or by using PhoneLink for automated exchanges, by calling 1-800-533-3310. Telephone exchanges may be made only between accounts that are registered with the same name(s) and address. Shares held under certificates may not be exchanged by telephone.

You can find a list of Oppenheimer funds currently available for exchanges in the Statement of Additional Information or by calling a service representative at 1-800-525-7048. Exchanges of shares involve a redemption of the shares of the fund you own and a purchase of shares of the other fund.

There are certain exchange policies you should be aware of:

-- Shares are normally redeemed from one fund and purchased from the other fund in the exchange transaction on the same regular business day on which the Transfer Agent receives an exchange request that is in proper form by the close of The New York Stock Exchange that day, which is normally 4:00 P.M. but may be earlier on some days. However, either fund may delay the purchase of shares of the fund you are exchanging into up to 7 days if it determines it would be disadvantaged by a same-day transfer of the proceeds to buy shares. For example,

the receipt of multiple exchange requests from a dealer in a "market-timing" strategy might require the disposition of securities at a time or price disadvantageous to the Fund.

-- Because excessive trading can hurt fund performance and harm shareholders, the Fund reserves the right to refuse any exchange request that will disadvantage it, or to refuse multiple exchange requests submitted by a shareholder or dealer.

-- The Fund may amend, suspend or terminate the exchange privilege at any time. Although the Fund will attempt to provide you notice whenever it is reasonably able to do so, it may impose these changes at any time.

-- If the Transfer Agent cannot exchange all the shares you request because of a restriction cited above, only the shares eligible for exchange will be exchanged.

The Distributor has entered into agreements with certain dealers and investment advisers permitting them to exchange their clients' shares by telephone. These privileges are limited under those agreements and the Distributor has the right to reject or suspend those privileges. As a result, those exchanges may be

-34-

subject to notice requirements, delays and other limitations that do not apply to shareholders who exchange their shares directly by calling or writing to the Transfer Agent.

SHAREHOLDER ACCOUNT RULES AND POLICIES

-- NET ASSET VALUE PER SHARE is determined for each class of shares as of the close of The New York Stock Exchange, which is normally 4:00 P.M. but may be earlier on some days, on each day the Exchange is open by dividing the value of the Fund's net assets attributable to a class by the number of shares of that class that are outstanding. The Fund's Board of Trustees has established procedures to value the Fund's securities to determine net asset value. In general, securities values are based on market value. There are special procedures for valuing illiquid and restricted securities, obligations for which market values cannot be readily obtained, and call options and hedging instruments. These procedures are described more completely in the Statement of Additional Information.

-- THE OFFERING OF SHARES may be suspended during any period in which the determination of net asset value is suspended, and the offering may be suspended by the Board of Trustees at any time the Board believes it is in the Fund's best interest to do so.

-- TELEPHONE TRANSACTION PRIVILEGES for purchases, redemptions or exchanges may be modified, suspended or terminated by the Fund at any time. If an account has more than one owner, the Fund and the Transfer Agent may rely on the instructions of any one owner. Telephone privileges apply to each owner of the account and the dealer representative of record for the account unless and until the Transfer Agent receives cancellation instructions from an owner of the account.

-- THE TRANSFER AGENT WILL RECORD ANY TELEPHONE CALLS to verify data concerning transactions and has adopted other procedures to confirm that telephone instructions are genuine, by requiring callers to provide tax identification numbers and other account data or by using PINs, and by confirming such transactions in writing. If the Transfer Agent does not use reasonable procedures it may be liable for losses due to unauthorized transactions, but otherwise neither the Transfer Agent nor the Fund will be liable for losses or expenses arising out of telephone instructions reasonably believed to be genuine. If you are unable to reach the Transfer Agent during periods of unusual market activity, you may not be able to complete a telephone transaction and should consider placing your order by mail.

-- REDEMPTION OR TRANSFER REQUESTS WILL NOT BE HONORED UNTIL THE TRANSFER AGENT RECEIVES ALL REQUIRED DOCUMENTS IN PROPER FORM. From time to time, the Transfer Agent in its discretion may waive certain of the requirements for redemptions stated in this Prospectus.

-- DEALERS THAT CAN PERFORM ACCOUNT TRANSACTIONS FOR THEIR CLIENTS BY PARTICIPATING IN NETWORKING through the National Securities Clearing Corporation are responsible for obtaining their clients' permission to perform those transactions and are responsible to their clients who are shareholders of the Fund if the dealer performs any transaction erroneously.

-- THE REDEMPTION PRICE FOR SHARES WILL VARY from day to day because the value of the securities in the Fund's portfolio fluctuates, and the redemption price,

which is the net asset value per share, will normally be different for Class A, Class B, Class C and Class M shares. Therefore, the redemption value of your shares may be more or less than their original cost.

-- PAYMENT FOR REDEEMED SHARES is made ordinarily in cash and forwarded by check or through AccountLink (as elected by the shareholder under the redemption procedures described above) within 7 days after the Transfer Agent receives redemption instructions in proper form, except under unusual circumstances determined by the Securities and Exchange Commission delaying or suspending such payments. For accounts registered in the name of a broker-dealer, payment will be forwarded within 3

-35-

business days. The Transfer Agent may delay forwarding a check or processing a payment via AccountLink for recently purchased shares, but only until the purchase payment has cleared. That delay may be as much as 10 days from the date the shares were purchased. That delay may be avoided if you purchase shares by certified check or arrange to have your bank provide telephone or written assurance to the Transfer Agent that your purchase payment has cleared.

-- INVOLUNTARY REDEMPTIONS OF SMALL ACCOUNTS may be made by the Fund if the account value has fallen below \$200 for reasons other than the fact that the market value of shares has dropped, and in some cases involuntary redemptions may be made to repay the Distributor for losses from the cancellation of share purchase orders.

-- UNDER UNUSUAL CIRCUMSTANCES, shares of the Fund may be redeemed "in kind", which means that the redemption proceeds will be paid with securities from the Fund's portfolio. Please refer to "How to Sell Shares" in the Statement of Additional Information for more details.

-- "BACKUP WITHHOLDING" of Federal income tax may be applied at the rate of 31% from dividends, distributions and redemption proceeds (including exchanges) if you fail to furnish the Fund a certified Social Security or Employer Identification Number when you sign your application, or if you violate Internal Revenue Service regulations on tax reporting of income.

-- THE FUND DOES NOT CHARGE A REDEMPTION FEE, but if your dealer or broker handles your redemption, they may charge a fee. That fee can be avoided by redeeming your Fund shares directly through the Transfer Agent. Under the circumstances described in "How To Buy Shares," you may be subject to a contingent deferred sales charge when redeeming certain Class A, Class B and Class C shares.

-- TO AVOID SENDING DUPLICATE COPIES OF MATERIALS TO HOUSEHOLDS, the Fund will mail only one copy of each annual and semi-annual report to shareholders having the same last name and address on the Fund's records. However, each shareholder may call the Transfer Agent at 1-800-525-7048 to ask that copies of those materials be sent personally to that shareholder.

DIVIDENDS, CAPITAL GAINS AND TAXES

INCOME DIVIDENDS. The Fund receives income in the form of interest and dividends paid by its investments. This income, less the expenses incurred in the Fund's operations, is referred to as net investment income. Income dividends are declared and recorded each day based on estimated net investment income. Such dividends are paid quarterly. Investors earn such dividends beginning on the day payment for Shares is received to the day prior to the settlement date of redemption. For federal tax purposes, all distributions declared in the fourth quarter of any calendar year are deemed paid in that calendar year even if they are distributed in January of the following year. Any net gain the Fund may realize from transactions in securities held less than the period required for long term capital gain recognition (taking into account any carryover of capital losses from previous years), while technically a distribution from capital gain, is taxed as an income dividend under the Internal Revenue Code of 1986, as amended (the "Code").

CAPITAL GAINS. If, during any fiscal year, the Fund realizes a net gain on transactions in securities held for more than one year, it has a net long term capital gain. After deduction of the amount of any net short term loss, the balance may be used to offset any carryover of capital losses from previous years, or, if there is no loss carryover, will be paid out to shareholders as a capital gain distribution. Capital gain distributions, if any, will be paid to shareholders of record prior to the end of each calendar year.

-36-

Because the value of Fund Shares is based directly on the amount of its net assets, rather than on the principle of supply and demand, any distribution of income or capital gain will result in a decrease in the value of Fund Shares equal to the amount of the distribution.

All dividends and capital gain distributions are paid in additional full and fractional Shares at net asset value for each shareholder's account unless otherwise requested on the Account Application or by notifying the Fund in writing or by telephone. Notice will be effective for the current dividend or distribution only if it is received by the Fund at least five business days before the record date. Notice received thereafter will be effective commencing with the next dividend or distribution. Income dividends and capital gain distributions will be credited to a shareholder's account in additional shares valued at the closing net asset value (without a sales load).

If the U.S. Postal Service cannot deliver a shareholder's check, or if a shareholder's check remains uncashed for six months, the Fund reserves the right to credit the shareholder's account with additional shares of the Fund at the then current net asset value in lieu of the cash payment and to thereafter issue such shareholder's dividends in additional Shares of the Fund.

Stock certificates will not be issued in connection with distributions which are paid in additional Shares. Call the Transfer Agent for more information. Shareholders will be advised of the nature of a distribution, the number of Shares purchased and the price following each such distribution.

DISTRIBUTION OPTIONS. When you open your account, specify on your application how you want to receive your distributions. For OppenheimerFunds retirement accounts, all distributions are reinvested.

For other accounts, you have four options:

-- REINVEST ALL DISTRIBUTIONS IN THE FUND. You can elect to reinvest all dividends and long-term capital gains distributions in additional shares of the Fund.

-- REINVEST LONG-TERM CAPITAL GAINS ONLY. You can elect to reinvest long-term capital gains in the Fund while receiving dividends by check or sent to your bank account on AccountLink.

-- RECEIVE ALL DISTRIBUTIONS IN CASH. You can elect to receive a check for all dividends and long-term capital gains distributions or have them sent to your bank on AccountLink.

-- REINVEST YOUR DISTRIBUTIONS IN ANOTHER OPPENHEIMERFUNDS ACCOUNT. You can reinvest all distributions in another OppenheimerFunds account you have established.

TAXES. If your account is not a tax-deferred retirement account, you should be aware of the following tax implications of investing in the Fund. Long-term capital gains are taxable as long-term capital gains when distributed to shareholders. It does not matter how long you held your shares. Dividends paid from short-term capital gains and net investment income are taxable as ordinary income. Distributions are subject to federal income tax and may be subject to state or local taxes. Your distributions are taxable when paid, whether you reinvest them in additional shares or take them in cash. Every year the Fund will send you and the IRS a statement showing the amount of each taxable distribution you received in the previous year.

-- "BUYING A DIVIDEND": When a fund goes ex-dividend, its share price is reduced by the amount of the distribution. If you buy shares on or just before the ex-dividend date, or just before the Fund declares a capital gains distribution, you will pay the full price for the shares and then receive a portion of the price back as a taxable dividend or capital gain.

-- TAXES ON TRANSACTIONS: Share redemptions, including redemptions for exchanges, are subject to capital gains tax. A capital gain or loss is the difference between the price you paid for the shares and the price you received when you sold them.

-- RETURNS OF CAPITAL: In certain cases distributions made by the Fund may be considered a non-taxable return of capital to shareholders. If that occurs, it will be identified in notices to shareholders. A non-taxable return of capital may reduce your tax basis in your Fund shares.

This information is only a summary of certain federal tax information about your investment. More information is contained in the Statement of Additional Information, and in addition you should consult with your tax adviser about the effect of an investment in the Fund on your particular tax situation.

-38-

APPENDIX: DESCRIPTION OF RATINGS

CATEGORIES OF RATING SERVICES

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.

-39-

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.

BOND FUND SERIES-OPPENHEIMER BOND FUND FOR GROWTH

350 Linden Oaks, Rochester, New York 14625
1-800-525-7048

STATEMENT OF ADDITIONAL INFORMATION DATED MARCH 11, 1996

This Statement of Additional Information of Bond Fund Series-Oppenheimer Bond Fund For Growth (the "Fund") is not a Prospectus. This document contains additional information about the Fund and supplements information in the Prospectus dated March 11, 1996. It should be read together with the Prospectus, which may be obtained by writing to OppenheimerFunds Services, the Fund's Transfer Agent at P.O. Box 5270, Denver, Colorado 80217 or by calling the Transfer Agent at the toll-free number shown above.

TABLE OF CONTENTS

	PAGE

ABOUT THE FUND	
Investment Objectives and Policies.....	2
Investment Policies and Strategies.....	2
Other Investment Techniques and Strategies.....	5
Other Investment Restrictions.....	10
How the Fund is Managed.....	12
Organization and History.....	12
Trustees and Officers of the Fund.....	13
The Manager and Its Affiliates.....	18
Brokerage Policies of the Fund.....	20
Performance of the Fund.....	21
Distribution and Service Plans.....	26
ABOUT YOUR ACCOUNT	
How To Buy Shares.....	28
How To Sell Shares	35
How To Exchange Shares.....	39
Dividends, Capital Gains and Taxes.....	41
Additional Information About the Fund.....	42
FINANCIAL INFORMATION ABOUT THE FUND	
Financial Statements.....	
Independent Auditors' Report.....	
Appendix A: Description of Bond Ratings.....	A-1

ABOUT THE FUND

INVESTMENT OBJECTIVES AND POLICIES

INVESTMENT POLICIES AND STRATEGIES. The investment objectives and policies of the Fund are described in the Prospectus. Set forth below is supplemental information about those policies and the types of securities in which the Fund invests, as well as the strategies the Fund may use to try to achieve its objectives. Capitalized terms used in this Statement of Additional Information

have the same meaning as those terms have in the Prospectus.

The Fund seeks a high level of total return on its assets through a combination of current income and capital appreciation. The Fund invests primarily in a portfolio which consists of a variety of fixed income securities, including convertible securities, which in the opinion of OppenheimerFunds, Inc. (the "Manager") will assist the Fund in achieving its investment objective. Convertible securities include corporate bonds, notes and preferred stock which can be converted into (exchanged for) common stock or other securities which provide an opportunity for participation. The Fund invests a substantial portion of its assets in high-yield, lower rated bonds which are commonly referred to as "junk bonds." Investments of this type are subject to greater risk of loss of principal and interest. 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 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.

The Fund is classified as non-diversified within the meaning of the Investment Company Act of 1940, as amended, (the "Investment Company Act"), which means that the Fund is not limited by the Investment Company Act in the proportion of its assets that it may invest in obligations of a single issuer. The Fund intends to continue to qualify as a "regulated investment company," however, under the Internal Revenue Code of 1986, as amended (the "Code"). See Dividends, Capital Gains and Taxes. In addition to satisfying other requirements to so qualify, the Fund will

-2-

limit its investments so that, at the close of each quarter of its taxable year, (i) not more than 25% of the market value of its total assets will be invested in the securities of a single issuer and (ii) with respect to 50% of its total assets, not more than 5% will be invested in the securities of a single issuer. In contrast, a fund which elects to be classified as "diversified" under the Investment Company Act must satisfy the foregoing 5% requirement with respect to 75% of its assets at all times. To the extent that the Fund assumes large positions in the obligations of a small number of issuers, the Fund's total return may fluctuate to a greater extent than that of a diversified company as a result of changes in the financial condition or in the market's assessment of the issuers.

-- CONVERTIBLE FIXED INCOME SECURITIES. Convertible securities are fixed income securities which may be exchanged for or converted into the underlying common stock of the issuer at the option of the holder during a specified period of time. Convertible securities may take the form of convertible preferred stock, convertible bonds or notes, or other fixed income securities with stock purchase warrants, or a combination of the features of several of these securities. Because of the conversion feature, the price of a convertible security will normally vary in some proportion to changes in the price of the underlying common stock. Convertible fixed income securities are generally characterized by less price volatility than the common stocks into which they are convertible because of their comparatively higher yields. The investment characteristics of each convertible security vary widely, and such versatility permits the Fund to use convertible securities in different ways in pursuing its investment objective of high total return. For example, the Fund may invest in convertible securities which provide a relatively high level of income, with less appreciation potential as well as those with high appreciation potential and a relatively low level of income or convertible securities which provide some combination of both income and appreciation potential.

Convertible bonds and convertible preferred stocks are fixed income securities that retain the investment characteristics of fixed income securities until they have been converted. The holder is entitled to receive the fixed income of a bond or the dividend preference of a preferred stock until the holder elects to exercise the conversion privilege. Convertible securities are senior securities, and therefore, have a claim to assets of the corporation

prior to the holders of common stock upon liquidation. Convertible securities, however, are generally subordinated to similar non-convertible securities of the same company. The interest income and dividends from convertible bonds and preferred stocks provide a stable stream of income with yields which are generally higher than common stocks, but lower than non-convertible securities of similar quality.

As with all fixed income securities, various market forces influence the market value of convertible securities, including changes in the level of interest rates. As the level of interest rates increases, the market value of convertible securities may decline and, conversely, as interest rates decline, the market value of convertible securities may increase. The unique investment characteristic of convertible securities, the right to be exchanged for the issuer's common stock, causes the market value of convertible securities to increase when the value of the underlying common stock increases. Since securities prices fluctuate, however, there can be no assurance that the market value of convertible securities will increase. Convertible securities generally will not reflect quite as great a degree of capital appreciation as the underlying stock. When the underlying common stock is experiencing a decline, the value of the convertible security tends to decline to a level approximating the yield-to-maturity basis of straight non-convertible debt of similar quality,

-3-

often called "investment value," and may not experience the same decline as the underlying common stock.

Many convertible securities sell at a premium over their conversion values (i.e., the number of shares of common stock to be received upon conversion multiplied by the current market price of the stock). This premium represents the price investors are willing to pay for the privilege of purchasing a fixed income security with a possibility of capital appreciation due to the conversion privilege. There can be no assurance that the underlying common stock will appreciate enough for this premium to be recovered by the Fund on any particular convertible security.

-- INVESTMENT RISKS OF FIXED-INCOME SECURITIES. 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 on a security as they become due. Generally, higher yielding lower-grade bonds are subject to credit risk to a greater extent than lower yielding, investment grade 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 outstanding fixed-income securities. An increase in prevailing interest rates will generally reduce the market value of already-issued 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 changes in their prices from changes in interest rates than obligations with shorter maturities. Fluctuations in the market value of fixed-income securities after the Fund buys them will not affect the interest payable on those securities, nor the cash income from such securities. However, those price fluctuations will be reflected in the valuations of these securities and therefore the Fund's net asset values.

As stated in the Prospectus, 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 a nationally recognized statistical rating organization ("NRSRO") or in bonds which are unrated. 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. The Fund will not invest in securities which are in default at the time of purchase. Because investment in lower rated and unrated fixed income securities involves greater investment risk, achievement of the Fund's investment objectives will be more dependent upon the Manager's credit analysis than would be the case if the Fund were investing in higher quality debt 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.

-4-

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.

-- CONVERTIBLE PREFERRED STOCK. The Fund may invest in a type of convertible preferred stock that is an equity security with certain characteristics of both a debt security and a call option. These securities can be considered "derivative" securities because of their imbedded option component. These stock instruments trade under a variety of acronyms. They typically provide for a three-year period prior to conversion to common stock (although they are callable by the issuer prior to conversion) and pay a cumulative, fixed dividend that is senior to, and expected to be in excess of, the dividends paid on the common stock of the same issuer. At the mandatory conversion date, the preferred stock is converted into not more than one share of the issuer's common stock at the "call price" that was established at the time the preferred stock was issued. Generally, the call price is 30% to 45% above the price of the issuer's common stock at the time the preferred stock is issued and may be subject to downward adjustment over time. If the price per share of the related common stock on the mandatory conversion date is less than the call price, the holder of the preferred stock will nonetheless receive only one share of common stock for each share of preferred stock (plus cash in the amount of any accrued but unpaid dividends). At any time prior to the mandatory conversion date, the issuer may redeem the preferred stock upon issuing to the holder a number of shares of common stock equal to the call price of the preferred stock in effect on the date of redemption divided by the market value of the common stock, with such market value typically determined one or two trading days prior to the date notice of redemption is given. The issuer must also pay the holder of the preferred stock cash in an amount equal to any accrued but unpaid dividends on the preferred stock.

This convertible preferred stock is subject to the same market risk as the common stock of the issuer, except to the extent that such risk is mitigated by the higher dividend paid on the preferred stock. The opportunity for equity appreciation afforded by an investment in such convertible preferred stock, however, is limited, because in the event the market value of the issuer's common stock increases to or above the call price of the preferred stock, the issuer may (and would be expected to) call the preferred stock for redemption at the call price. This convertible preferred stock is also subject to credit risk with regard to the ability of the issuer to pay the dividend established upon issuance of the preferred stock. Generally, convertible preferred stock is less volatile than the related common stock of the issuer.

OTHER INVESTMENT TECHNIQUES AND STRATEGIES

-- SHORT SALES. Although the Fund may not make short sales generally, the Fund may make short sales "against the box." While a short sale is made by selling a security the Fund does

-5-

not own, a short sale is said to have been made "against the box" to the extent that the Fund contemporaneously owns or has the right to obtain securities identical to those sold short at no added cost. The Fund will engage in this type of transaction only when (i) the yield on the convertible bond or preferred stock is substantially larger than that on the common stock so that the Fund may benefit from this incremental cash flow without bearing any market risk; (ii) the Manager believes that the premium on the convertible bond or preferred stock relative to the common stock is unusually small and will widen to a more normal range; or (iii) there is a large unrealized gain in a portfolio security which the Manager wishes to sell and the Manager believes that it will be advantageous to defer the realization of the gain until a subsequent tax year. When a short sale is effected, any decline in the value of the Fund's portfolio securities would be reduced by a gain in the short sale transaction. Conversely, any increase in the value of the Fund's portfolio securities would be reduced by a loss in the short sale transaction. The extent to which such gains or losses are reduced will depend upon the amount of the security sold short relative to the amount the Fund owns, either directly or indirectly, and, in the case where the Fund owns convertible securities, changes in the conversion premium (the difference between a convertible security's market price and its value if it were converted into its underlying common stock). As a fundamental policy, the Fund may not make short sales or maintain a short position unless at all times when a short position is open, not more than 10% of that Fund's total assets (taken at current value) is held as collateral for such sales at any one time.

-- WARRANTS. The Fund has adopted as a fundamental policy that it may invest up to 15% of the value of its net assets at the time of purchase in warrants (other than those that have been acquired in units or attached to other securities). This fundamental policy is currently limited by an operational policy which provides that the Fund may not invest more than 5% of the value of the Funds' net assets in warrants, valued at market. Included within that amount, but not to exceed 2% of the value of the Funds' net assets, may be warrants which are not listed in the New York or American Stock Exchange. Warrants acquired by the Fund in units or attached to securities may be deemed to be without value for purposes of the limitation imposed by the operational policy. A warrant basically is an option to purchase common stock at a specific price (usually at a premium above the market value of the optioned common stock at issuance) valid for a specific period of time. Warrants may have a life ranging from less than a year to twenty years or may be perpetual. However, many warrants have expiration dates after which they are worthless unless such warrants are exercised or sold before expiration. In addition, if the market price of the common stock does not exceed the warrant's exercise price during the life of the warrant, the warrant will expire worthless. Warrants have no voting rights, pay no dividends and have no rights with respect to the assets of the corporation issuing them. The percentage increase or decrease in the market price of a warrant may tend to be greater than the percentage increase or decrease in the market price of the optioned common stock.

-- FUND'S USE OF LISTED OPTIONS. The Fund will limit options trading activity to: (1) writing (i.e. selling) covered call options on stocks and the underlying stock of existing convertible positions; (2) purchasing put options on stocks; and (3) entering into closing purchase transactions with respect to certain of such options, provided that all options traded by the Fund are listed on a national securities exchange.

The Fund will write covered call options in an attempt to increase its income. The Fund may

-6-

also purchase put options on stock in order to attempt to hedge its portfolio and to reduce investment risks. Hedging strategies are defensive in nature; some capital gain potential is forsaken in advancing markets for a reduction of risk in declining markets. No assurances can be made that these options hedging strategies will result in successful investments by the Fund.

-- CHARACTERISTICS OF LISTED OPTIONS. Because listed options can be employed in a variety of ways to pursue a variety of investment objectives, it follows that the risks and potential rewards of options trading depend in large measure on the manner in which the options are used. Listed options are puts and calls on common stock. A call option conveys the right to buy and a put option conveys the right to sell. Although put options and call options are generally traded on the same underlying securities, it should be clearly understood that call options and put options are separate and distinct investment securities. The purchase or sale of a call in no way involves a put. The purchase or sale of a put in no way involves a call.

The option contract has a duration period of up to nine months and precisely identifies the underlying security. Options traded on options exchanges (the "Exchanges"), have standardized the terms of options contracts. An options contract has four specifications: (1) the type (put or call); (2) the underlying common stock name; (3) the expiration date; and (4) the exercise or strike price. Option contracts give their holder the right to buy or sell a stated number of shares, usually 100, of a particular underlying common stock, at a fixed price (called the strike price) for a predetermined period of time (called the expiration period). An option is a wasting asset; that is, it has only an initial value that declines as time passes. It may expire having no value, or the holder may have to exercise it in order to recover some value before expiration. Of course, the holder may sell the option in the listed option market before expiration.

Although an option is a security, it derives its value from the underlying common stock. The option price fluctuates as the price of the underlying stock rises or falls. Splits and stock dividends in the underlying stock affect the terms of listed options, although cash dividends do not.

-- COVERED CALL OPTION WRITING. A call option gives the purchaser of the option the right to buy, and imposes on the writer the obligation to sell, the underlying security at the exercise price during the option period. The Fund may write "covered" call options, that is, options on securities the Fund holds in its portfolio or has an immediate right to acquire, without additional consideration, upon conversion or exchange of securities currently held in its portfolio. For writing a call option, the Fund is paid a sales price or premium. If the call option expires unexercised, the Fund realizes a gain equal to the amount of the premium received upon writing the option, less transaction costs. So long as the obligation of a writer continues, he may be assigned an exercise notice by the broker-dealer through whom such a call option was sold, requiring

him to deliver the underlying security against payment of the exercise price. This obligation terminates upon expiration of the call option, or at such earlier time at which the writer effects a closing purchase transaction (i.e. the purchase of a call option on the same security with the same exercise price and expiration date as the call option already written). Once a writer has been assigned an exercise notice with respect to a call option, he will thereafter be unable to effect a closing purchase transaction with respect to that option. In return for the

-7-

premium it receives, so long as the Fund's obligation as a writer continues, it will forego the opportunity to profit from any price increase in the underlying stock above the exercise price.

The Fund will write covered call options for hedging purposes in order to protect against possible declines in the market values of the stocks or convertible securities held in its portfolio. If, for example, the market price of a common stock underlying a convertible security held by a Fund declines and the convertible security also declines in value, such decline will be offset in part (or wholly) by the receipt of the premium on covered call options written by the Fund on such stock. However, if the market price of the underlying common stock increases and the convertible security held by a Fund also increases in value, such increases will be offset in part (or wholly) by any loss resulting from the cancellation of the Fund's position through closing purchase transactions on covered call options written by the Fund or the opportunity loss if the option is exercised. The main risk of any covered call writing strategy is that the common stock/covered call "package" (such as that embedded in a mandatory conversion security) will underperform the common stock alone should the stock's price rise substantially above the strike price of the call option.

The Fund may not sell any covered call options if, as a result of such sale, the aggregate value of its securities underlying such options (valued at the lower of the option price or market price) would exceed 25% of its net assets. This limitation may not be changed by the Fund without shareholder approval. Although the Fund may write covered call options on up to 25% of its assets, the Fund has no present intention of writing covered call options on more than 5% of its net assets in such securities. To secure its obligation to deliver the underlying security, the Fund, as the writer of a call option, is required to deposit in escrow with its custodian the underlying common stock or a security immediately convertible into the underlying common stock in accordance with the rules of the Options Clearing Corporation and of the various Exchanges.

-- PURCHASE OF PUT OPTIONS. The Fund will also purchase put options in an attempt to hedge its portfolio and to reduce investment risks. When a convertible security is purchased because the Manager believes the market price of such security may rise, the Manager may nonetheless wish to protect the holdings of such security against a decline in market value by purchasing a put option on the common stock underlying such security. A put option gives the purchaser the right to sell the underlying common stock at the put exercise price regardless of any decline in the underlying stock's market price.

Thus, the purchase of a put option when used as a defensive measure provides profits should the underlying common stock decline, which would be of use to offset losses from the corresponding decline in the value of the convertible security held. The reduction in loss that this defensive strategy provides is limited to the profit made on the put option transaction, less the premium paid for the put option, less the transaction costs incurred in connection with the put. Should the underlying common stock, and consequently the convertible securities held, increase in value, the profit realized would be reduced by the cost of the purchase of the put options.

-- RISKS OF TRANSACTIONS IN STOCK OPTIONS. An option position may be closed out by the Fund only on an Exchange which provides a secondary market for an option of the same series. Although the Fund will generally purchase or write only those options for which there is

-8-

an active secondary market, there is no assurance that a liquid secondary market on an Exchange will exist for any particular option or at any particular time. Absence of a liquid secondary market on an Exchange may result from a variety of economic, market and regulatory factors including the suspension of trading or an insufficient amount of trading interest. For example, if trading were suspended in an option purchased or written by the Fund, the Fund would not be able to close out the option. If the Fund, as a covered call option writer, is unable to effect a closing purchase transaction in a secondary market, the Fund will not be able to sell the underlying common stock until the option expires or until it delivers the underlying common stock upon exercise. Similarly, in the absence of a liquid secondary market, the Fund, as the purchaser of a put option, would be able to realize a profit or limit a loss on such option only by exercising such option and, in the case of a put option on stock, by incurring

additional transaction costs on the disposition of the underlying security.

The Exchanges have established limitations governing the maximum number of calls and puts of each class which may be held or written by an investor or group of investors acting in concert (regardless of whether the options are written on the same or different Exchanges or are held or written in one or more accounts or through one or more brokers). An Exchange may order the liquidation of positions found to be in violation of these limits. The Manager does not anticipate that such limits will affect the Fund's option trading activities.

-- MANDATORY CONVERSION SECURITIES. In addition to the more traditional convertible securities in which the Fund may invest as described in the Prospectus, the Fund may also invest in more recently developed varieties of convertible securities which are referred to herein as "mandatory conversion securities." Such securities may combine several of the features of debt securities and equity securities, including both preferred stock and common stock. Unlike the more traditional convertible securities, however, many of these securities are characterized by a mandatory conversion feature and an adjustable conversion ratio. Thus, many of these securities offer limited potential for capital appreciation and, in some instances, involve unlimited potential for loss of capital. These securities are designed and marketed by major investment banking firms and trade in the marketplace under various acronyms which are proprietary to the investment banking firm. The Fund may be exposed to counterparty risk to the extent it invests in "synthetic mandatory conversion securities," which are issued by investment banking firms and are unsecured obligations of the issuing firm. Should the issuing firm of such a security experience financial difficulty, its ability to perform according to the terms of the security may become impaired. The mandatory conversion securities which may be purchased by the Fund include, but are not limited to, the so-called equity-linked debt securities and certain varieties of convertible preferred stock. The market for these securities is relatively new.

-- EQUITY-LINKED DEBT SECURITIES. The Fund may purchase debt securities whose principal amount at maturity is dependant upon the performance of a specified equity security. Equity-linked debt securities differ from ordinary debt securities in that the principal amount received at maturity is not fixed, but is based on the price of the linked equity security at the time the debt security matures. Such debt securities usually mature in three to four years, and during the years to maturity pay interest at a favorable fixed rate. Although the debt securities are typically adjusted for diluting events such as stock splits, stock dividends and certain other events affecting the market value of the linked equity security, the debt securities are not adjusted for subsequent issuances of

-9-

the linked equity security for cash. Such an issuance could adversely affect the price of the debt security. In general, however, such debt securities are less volatile than the equity securities to which they are linked.

OTHER INVESTMENT RESTRICTIONS

Specific investment restrictions help the Fund limit investment risks for shareholders. The following investment restrictions are fundamental investment policies of the Fund and cannot be changed without approval of a majority of the outstanding voting securities of the Fund (defined for purposes of the Prospectus and this Statement as the lesser of: (i) 67% of the shares present or represented by proxy at a meeting at which more than 50% of the outstanding shares are present or represented by proxy; or (ii) more than 50% of the outstanding shares). These restrictions provide that the Fund may not:

1. Invest more than 25% of the value of the Fund's total assets in the securities of any one issuer or any group of issuers in the same industry, which restriction will not, however, prevent it from investing more than 25% of such Fund's total assets in securities of the United States Government, its agencies or instrumentalities.

2. Make any investment if, as a result thereof, less than 50% of the Fund's total assets would be in cash, cash items, U.S. Government securities, and securities of issuers in which its investment is limited to not more than 5% of the value of the Fund's total assets and not more than 10% of the outstanding voting securities of any issuer.

3. Purchase securities on margin, but the Fund may obtain unsecured loans to purchase securities and may also borrow amounts equivalent to up to 5% of the Fund's net assets for temporary, extraordinary or emergency purposes. The aggregate of all unsecured loans, however, may not exceed 50% of the Fund's total assets.

4. Make short sales on securities or maintain a short position, unless at all times when a short position is open, the Fund owns an equal amount of such securities or owns securities which, without payment of any further consideration, are convertible into or exchangeable for securities of the same issue as, and equal in amount to, the securities sold short; no more

than 10% of the Fund's total assets will be held as collateral for such short sales at any one time. See Short Sales.

5. Engage in the purchase and sale of put and call options or in writing such options except as set forth hereinafter and in the Prospectus.

6. Invest in warrants other than warrants acquired by the Fund as part of a unit or attached to securities at the time of purchase, and other than the investment of no more than 15% of the value of its net assets in warrants valued at the lower of cost or market (of which not more

-10-

than 5% of the Fund's net assets may be invested in warrants not listed on the New York or American Stock Exchange).

7. Make loans, provided that this policy does not prohibit the Fund from (1) making loans of its portfolio securities, (2) purchasing notes, bonds or other evidences of indebtedness or making deposits with banks and other financial institutions, and (3) entering into repurchase agreements.

8. Purchase or sell real estate, or real estate mortgage loans provided, however, that the Fund may invest not more than 5% of its total assets in marketable securities of real estate investment trusts.

9. Deal in commodities or commodities contracts.

10. Purchase or retain securities of any issuer if any of its officers and trustees, or any of the officers and directors of the Manager (as hereinafter defined) or Distributor (as hereinafter defined), own individually beneficially more than 0.5% of the outstanding securities of such issuer, or if all of those persons together own more than 5% of that issuer's securities.

11. Invest more than 5% of the value of its total assets in securities of any company (including its predecessors) that has not been in business for at least three consecutive years.

12. Issue any securities which are senior to shares of the Fund.

13. Underwrite securities of other issuers.

14. Acquire securities of any other investment company, if as a result of such acquisition, the Fund would own in the aggregate: (i) more than 3% of the voting stock of such investment company; (ii) securities of such investment company having an aggregate value in excess of 5% of the value of the total assets of the Fund; or (iii) securities of such investment company and of any other investment companies (but excluding treasury stock of those funds) having an aggregate value in excess of 10% of the total assets of the Fund. However, none of these limitations is applicable to a security received as a dividend or as a result of an offer of exchange, a merger or plan of reorganization.

The percentage limitations on investments which are set forth herein are applied at the time an investment is made. No violation of the percentage limitation will occur unless the limitation is exceeded immediately after an investment is made and as a result thereof.

-- OPERATIONAL POLICIES.

The following restrictions are operational investment policies of the Fund. While these operating investment policies are not fundamental policies and do not require shareholder approval to be changed and may be changed by the Board of Trustees, the Fund has, as a matter of policy, agreed not to change these policies without prior notice to its shareholders. These operating policies provide that the Fund may not:

-11-

A. Invest in any issuer for the purpose of exercising control or management of that issuer, unless approved by the Fund's Board of Trustees.

B. Invest any part of its total assets in interests in oil, gas, or other mineral exploration or development programs, although it may invest in securities of companies which invest in or sponsor such programs. The Fund may not invest in oil, gas or other mineral leases.

C. Invest more than 5% of the value of the Fund's assets in warrants,

valued at the lower of cost or market. Included within that amount, but not to exceed 2% of the value of the Fund's net assets, may be warrants which are not listed on the New York or American Stock Exchange. Warrants acquired by the Fund in units or attached to securities may be deemed to be without value.

| | ILLIQUID SECURITIES. As a non-fundamental policy, the Fund may not invest more than 15% of the value of the Fund's net assets in Illiquid Securities. An additional operational policy of the Fund provides that certain "restricted securities," as defined in the section entitled "Illiquid Securities" in the prospectus, may be excluded from the Fund's 15% limitation on investments in Illiquid Securities. Rule 144A under the Securities Act of 1933, as amended, permits certain resales of unregistered securities (i.e., restricted securities) provided that such securities have been determined to be eligible for resale under the provisions of Rule 144A. The Fund's Board of Trustees has adopted guidelines and procedures to be utilized by the investment adviser for determining the liquidity of such Rule 144A securities and for monitoring the investment adviser's implementation of the guidelines and procedures. Such determination will be based upon all relevant factors including, among other things: (1) the unregistered nature of a Rule 144A security; (2) the frequency of trades and quotes for the security; (3) the number of dealers willing to purchase or sell the security and the number of potential purchasers; (4) dealer undertakings to make a market in the security; and (5) the nature of the security and the nature of marketplace trades, including, the time needed to dispose of the security, the method of soliciting offers and the mechanics of transfer.

HOW THE FUND IS MANAGED

ORGANIZATION AND HISTORY. As a Massachusetts business trust, the Fund is not required to hold, and does not plan to hold, regular annual meetings of shareholders. The Fund will hold meetings when required to do so by the Investment Company Act or other applicable law, or when a shareholder meeting is called by the Trustees. 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 record holders of 10% of its outstanding shares. In addition, if the Trustees receive a request from at least 10 shareholders (who have been shareholders for at least six months) holding shares of the Fund valued at \$25,000 or more or holding at least 1% of the Fund's outstanding shares, whichever is less, stating 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 under Section 16(c) of the Investment Company Act.

Each share of the Fund represents an interest in the Fund proportionately equal to the interest

-12-

of each other share of the same class and entitles the holder to one vote per share (and a fractional vote for a fractional share) on matters submitted to their vote at shareholders' meetings. Shareholders of the Fund vote together in the aggregate on certain matters at shareholders' meetings, such as the election of Trustees and ratification of appointment of auditors for the Fund. Shareholders of a particular series or class vote separately on proposals which affect that series or class, and shareholders of a series or class which is not affected by that matter are not entitled to vote on the proposal.

The Trustees are authorized to create new series and classes of series. The Trustees may reclassify unissued shares of the Fund or its series or classes into additional series or classes of shares. The Trustees may also divide or combine the shares of a class into a greater or lesser number of shares without thereby changing the proportionate beneficial interest of a shareholder in the Fund. Shares do not have cumulative voting rights or preemptive or subscription rights. Shares may be voted in person or by proxy.

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 business trust (such as the Fund) to be held personally liable as a "partner" under certain circumstances, the risk of a Fund shareholder incurring financial loss on account of shareholder liability is limited to the relatively remote circumstances in which the Fund would be unable to meet its obligations described above. Any person doing business with the Trust, and any shareholder of the Trust, agrees under the Trust's Declaration of Trust to look solely to the assets of the Trust for satisfaction of any claim or demand which may arise out of any dealings with the Trust, and the Trustees shall have no personal

liability to any such person, to the extent permitted by law.

TRUSTEES AND OFFICERS OF THE FUND. The Fund's Trustees and officers, one of which is the Fund's portfolio manager, are listed below, together with principal occupations and business affiliations during the past five years. The address of each is Two World Trade Center, New York, New York 10048, except as noted. As of January 5, 1996 the trustees and officers of the Fund as a group owned less than 1% of the outstanding shares of class of the Fund.

BRIDGET A. MACASKILL, CHAIRMAN OF THE BOARD OF TRUSTEES AND PRESIDENT*; AGE: 47. Chairman of the Board, President and Trustee of the Fund, Rochester Fund Municipals and Rochester Portfolio Series-Limited Term New York Municipal Fund.; Chief Executive Officer of the Adviser; President and Chief Operating Officer of the Adviser; prior thereto, Chief Operating Officer of the Adviser and Executive Vice President of the Adviser from 1987-1989. Vice President and a Director of Oppenheimer Acquisition Corp., Director of Oppenheimer Partnership Holdings, Inc., Chairman and a Director of OppenheimerFunds Services, Director of Main Street Advisers, Inc., and Director of HarbourView Asset Management Corporation, all of which are subsidiaries of

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

-13-

the Adviser; a Trustee of the New York-based Oppenheimer funds.

JOHN CANNON, TRUSTEE; AGE 65
620 Sentry Parkway West, Suite 220, Blue Bell, Pennsylvania 19422
Chairman and Treasurer, CDC Associates, Inc., registered investment adviser, 1993-present; prior thereto, President, AMA Investment Advisers, Inc., a mutual fund investment adviser, 1976-1991; Senior Vice President AMA Investment Advisers, Inc., 1991-1993; Director, Neuberger & Berman Income Managers Trust, Neuberger & Berman Income Funds and Neuberger & Berman Income Trust, 1995-present; Trustee of Rochester Fund Municipals and Rochester Portfolio Series-Limited Term New York Municipal Fund.

PAUL Y. CLINTON, DIRECTOR; AGE: 64
946 Morris Avenue, Bryn Mawr, Pennsylvania 19010
Director, External Affairs, Kravco Corporation, a national real estate owner and property management corporation; formerly President of Essex Management Corporation, a management consulting company; Trustee of Capital Cash Management Trust, Prime Cash Fund and Short Term Asset Reserves, each of which is a money-market fund; Director of Oppenheimer Quest Value Fund, Inc., Oppenheimer Quest Global Value Fund, Inc., and Quest Cash Reserves, Inc. and Trustee of Quest For Value Accumulation Trust, all of which are open-end investment companies. Formerly a general partner of Capital Growth Fund, a venture capital partnership; formerly a general partner of Essex Limited Partnership, an investment partnership; formerly President of Geneve Corp., a venture capital fund; formerly Chairman of Woodland Capital Corp., a small business investment company; formerly Vice President of W.R. Grace & Co.; Trustee of Rochester Fund Municipals and Rochester Portfolio Series-Limited Term New York Municipal Fund.

THOMAS W, COURTNEY, DIRECTOR; AGE: 62
P.O. Box 580, Sewickley, Pennsylvania 15143
Principal of Courtney Associates, Inc., a venture capital firm; former General Partner of Trivest Venture Fund, a private venture capital fund; former President of Investment Counseling Federated Investors, Inc.; Trustee of Cash Assets Trust, a money market fund; Director of Quest Cash Reserves, Inc., Oppenheimer Quest Value Fund, Inc. and Oppenheimer Quest Global Value Fund, Inc. and Trustee of Quest for Value Accumulation Trust, all of which are open-end investment companies; former President of Boston Company Institutional Investors; Trustee of Hawaiian Tax-Free Trust and Tax-Free Trust of Arizona, tax-exempt bond funds; Director of several privately owned corporations; former Director of Financial Analysts Federation; Trustee of Rochester Fund Municipals and Rochester Portfolio Series-Limited Term New York Municipal Fund.

LACY B. HERRMANN, DIRECTOR; AGE: 66
380 Madison Avenue, Suite 2300, New York, New York 10017
President and Chairman of the Board of Aquila Management Corporation, the sponsoring organization and Administrator and/or Sub-Adviser to the following open-end investment companies, and Chairman of the Board of Trustees and President of each: Churchill Cash Reserves Trust, Short Term Asset Reserves, Pacific Capital Cash Assets Trust, Pacific Capital U.S. Treasuries Cash Assets Trust, Pacific Capital Tax-Free Cash Assets Trust, Prime Cash Fund, Narragansett Insured Tax-Free Income Fund, Tax-Free Fund For Utah, Churchill Tax-Free Fund of Kentucky, Tax-Free Fund of Colorado, Tax-Free Trust of Oregon, Tax-Free Trust of Arizona, Hawaiian Tax-Free Trust, and

-14-

Aquila Rocky Mountain Equity Fund; Vice President, Director, Secretary, and formerly Treasurer of Aquila Distributors, Inc., distributor of the above funds; President and Chairman of the Board of Trustees of Capital Cash Management Trust ("CCMT"), and an Officer and Trustee/Director of its predecessors; President and Director of STCM Management Company, Inc., sponsor and adviser to CCMT; Chairman, President and a Director of InCap Management Corporation, formerly sub-adviser and administrator of Prime Cash Fund and Short Term Asset Reserves; Director or Trustee of Quest Cash Reserves, Inc., Oppenheimer Quest Global Value Fund, Inc. and Oppenheimer Quest Value Fund, Inc. and Trustee of Quest for Value Accumulation Trust and The Saratoga Advantage Trust, each of which is an open-end investment company; Trustee of Rochester Fund Municipals and Rochester Portfolio Series-Limited Term New York Municipal Fund; Trustee of Brown University.

GEORGE LOFT, DIRECTOR; AGE: 80

51 Herrick Road

Sharon, Connecticut 06069

Private Investor; Director of Quest Cash Reserves, Inc., Oppenheimer Quest for Value Fund, Inc. and Oppenheimer Quest Global Value Fund, Inc. and Trustee of Quest for Value Accumulation Trust and The Saratoga Advantage Trust, all of which are open-end investment companies, and Director of the Quest for Value Dual Purpose Fund, Inc., a closed-end investment company; Trustee of Rochester Fund Municipals and Rochester Portfolio Series-Limited Term New York Municipal Fund.

MICHAEL S. ROSEN, VICE PRESIDENT; AGE 34

350 Linden Oaks, Rochester, New York 14625

Vice President and Portfolio Manager of the Fund, 1986-present; Vice President of the Adviser, January 5, 1996-present; President of the Rochester Division of the Adviser, January 5, 1996-present; Vice President of Rochester Fund Municipals, 1986-January 4, 1996; Vice President of Rochester Portfolio Series - Limited Term New York Municipal Fund, 1991-January 4, 1996; Vice President of Rochester Tax Managed Fund, Inc., 1985-present; Trustee of the Fund, Rochester Fund Municipals and Rochester Portfolio Series-Limited Term New York Municipal Fund, 1993-January 4, 1996; Vice President and a director, Fielding Management Company, Inc. (1988-present); President and a director, Rochester Fund Distributors, Inc. (1990-present); Vice President and a director, Rochester Capital Advisors, Inc. (1993-present); Vice President and a director, Rochester Fund Services, Inc. (1986-present).

ANDREW J. DONOHUE, SECRETARY; AGE: 45

Secretary of the Fund, Rochester Fund Municipals and Rochester Portfolio Series-Limited Term New York Municipal Fund; Executive Vice President and General Counsel of the Adviser and the Distributor; an officer of other Oppenheimer funds; formerly Senior Vice President and Associate General Counsel of the Adviser 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), and a director and an officer of First Investors Family of Funds and First Investors Life Insurance Company.

GEORGE C. BOWEN, TREASURER; AGE: 59

3410 South Galena Street Denver, Colorado 80231

Treasurer of the Fund, Rochester Fund Municipals and Rochester Portfolio Series-Limited Term New York Municipal Fund; Senior Vice President and Treasurer of the Adviser; Vice President and

-15-

Treasurer of the Distributor and HarbourView Asset Management Corporation; Senior Vice President, Treasurer, Assistant Secretary and a director of Centennial Asset Management Corporation, an investment advisory subsidiary of the Adviser; Vice President, Treasurer and Secretary of the Transfer Agent and Shareholder Financial Services, Inc., a transfer agent subsidiary of the Adviser; an officer of other Oppenheimer funds.

ROBERT G. ZACK, ASSISTANT SECRETARY; AGE: 47

Assistant Secretary of the Fund, Rochester Fund Municipals and Rochester Portfolio Series-Limited Term New York Municipal Fund; Senior Vice President and Associate General Counsel of the Adviser; Assistant Secretary of SSI and SFSI; an officer of other Oppenheimer funds.

ROBERT BISHOP, ASSISTANT TREASURER; AGE: 36

3410 South Galena Street, Denver, Colorado 80231

Assistant Treasurer of the Fund, Rochester Fund Municipals and Rochester Portfolio Series-Limited Term New York Municipal Fund; Assistant Vice President of the Adviser/Mutual Fund Accounting; an officer of other Oppenheimer funds; previously a Fund Controller for the Adviser, prior to which he was an Accountant for Yale & Seffinger, P.C., an accounting firm, and previously an Accountant and Commissions Supervisor for Stuart James Company Inc., a broker-dealer.

SCOTT FARRAR, ASSISTANT TREASURER; AGE: 30

3410 South Galena Street, Denver, Colorado 80231
 Assistant Treasurer of the Fund, Rochester Fund Municipals and Rochester
 Portfolio Series-Limited Term New York Municipal Fund; Assistant Vice President
 of the Adviser/Mutual Fund Accounting; an officer of other Oppenheimer funds;
 previously a Fund Controller for the Adviser, prior to which he was an
 International Mutual Fund Supervisor for Brown Brothers Harriman & Co., a bank,
 and previously a Senior Fund Accountant for State Street Bank & Trust Company.

-16-

-- REMUNERATION OF TRUSTEES. All officers of the Fund and Ms. Macaskill, a
 Trustee and President, are officers or directors of the Manager and receive no
 salary or fee from the Fund. The following table sets forth the aggregate
 compensation received by the non-interested Trustees from the Fund during the
 fiscal year ended December 31, 1995.

<TABLE>

<CAPTION>

NAME OF PERSON	AGGREGATE COMPENSATION FROM THE FUND (1)	PENSION OR RETIREMENT BENEFITS ACCRUED AS PART OF FUND EXPENSES (2)	ESTIMATED ANNUAL BENEFITS UPON RETIREMENT (2)	TOTAL COMPENSATION FROM FUND COMPLEX (3)
<S>	<C>	<C>	<C>	<C>
John Cannon	\$2,950	\$43,667	\$13,500	\$29,400
Paul Y. Clinton	\$			\$
Thomas W. Courtney	\$			\$
Lacy B. Herrmann	\$			\$
George Loft	\$			\$

</TABLE>

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- (1) During the fiscal year ended December 31, 1995, only one of the Fund's current trustees, John Cannon, served as a Trustee of the Fund.
 - (2) The Board of Rochester Fund Municipals has adopted a Retirement Plan for Independent Trustees of that Fund. Under the terms of the Retirement Plan, as amended and restated on October 16, 1995, an eligible Trustee (an Independent Trustee who has served as such for at least three years prior to retirement) may receive an annual benefit equal to the product of \$1500 multiplied by the number of years of service as an Independent Trustee up to a maximum of nine years. The maximum annual benefit which may be paid to an eligible Trustee under the Retirement Plan is \$13,500. The Retirement Plan will be effective for all eligible Trustees who have dates of retirement occurring on or after December 31, 1995. Subject to certain exceptions, retirement is mandatory at age 72 in order to qualify for the Retirement Plan. Although the Retirement Plan permits Eligible Trustees to elect early retirement at age 63, retirement benefits are not payable to Eligible Trustees who elect early retirement until age 65. The Retirement Plan provides that no Independent Trustee who is elected as a Trustee of Rochester Fund Municipals after September 30, 1995, will be eligible to receive benefits thereunder. Mr. Cannon is the only current Independent Trustee who may be eligible to receive benefits under the Retirement Plan. The estimate of annual benefits payable to Mr. Cannon under the Retirement Plan is based upon the assumption that Mr. Cannon, who was first elected as a Trustee of the Fund in 1992, will serve as an Independent Trustee for nine years.
 - (3) Includes compensation received during the fiscal year ended December 31, 1995, from all registered investment companies within the Fund Complex during that year which consisted of the Fund, Rochester Fund Municipals, Rochester Portfolio Series-Limited Term New York Municipal Fund, and Rochester Tax Managed Fund, Inc. On June 28, 1995, the Fund acquired all of the assets and assumed all of the liabilities of Rochester Tax Managed Fund, Inc.

-17-

-- CLASSES OF SHARES; MAJOR SHAREHOLDERS. The Fund currently offers four classes of shares of beneficial interest: Class A Shares, Class B Shares, Class C Shares and Class M Shares. The different classes of shares represent investments in the same portfolio of securities, but are subject to different expenses and are likely to have different share prices. On March 11, 1996, the Fund redesignated its Class A Shares which had been outstanding prior to that date as "Class M Shares", authorized the issuance of two new classes of shares (Class A Shares and Class C Shares) and ceased offering its Class Y Shares. Class Y Shares outstanding prior to March 11, 1996 have been redesignated as Class A Shares. As of December 15, 1995, no person owned of record or was known by the Fund to own beneficially 5% or more of the Fund as a whole or the Fund's then outstanding Class A, Class B or Class Y Shares, except for Merrill Lynch Pierce Fenner and

Smith, Inc., 4800 Deer Lake Drive, EFL 3, Jacksonville, Florida which was the record owner of 21% and 37% of the Fund's Class A Shares and Class B Shares, respectively, then outstanding and the Fielding Management Company, Inc. Pension Plan which was the beneficial owner and record owner of 99% of the Fund's Class Y Shares then outstanding.

THE MANAGER AND ITS AFFILIATES. 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 one of whom (Ms. Macaskill) serves as a Trustee of the Fund.

The Manager and the Fund have a Code of Ethics. It is designed to detect and prevent improper personal trading by certain employees, including portfolio managers, that would compete with or take advantage of the Fund's portfolio transactions. Compliance with the Code of Ethics is carefully monitored and strictly enforced by the Manager.

-- THE INVESTMENT ADVISORY AGREEMENT. The Investment Advisory Agreement between the Manager and the Fund which was entered into on January 4, 1996 ("Advisory 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 corporate 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. For these services, the Manager will receive from the Fund an annual fee, computed and payable monthly as a percentage of average daily net assets, as follows: average daily net assets up to \$50 million, 0.625%; average daily net assets on the next \$250 million, 0.50%; and average daily net assets in excess of \$300 million, 0.473%.

Expenses not expressly assumed by the Manager under the Advisory Agreement or by the Distributor are paid by the Fund. The Advisory Agreement lists examples of expenses paid by the Fund, the major categories of which relate to interest, taxes, brokerage commissions, fees to certain 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 December 31, 1993, 1994 and 1995, the management fees paid by the Fund to its previous investment adviser, Fielding Management Company, Inc. were \$225,722, \$596,082 and \$1,030,091 respectively.

-18-

The Advisory Agreement contains no expense limitation. However, independently of the Agreement, the Manager has voluntarily 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 Advisory Agreement provides that in the absence of willful misfeasance, bad faith, gross negligence or reckless disregard of 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 Advisory 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.

-- THE DISTRIBUTOR. Under its General Distributor's Agreement with the Fund, which was entered into on January 4, 1996, OppenheimerFunds Distributor, Inc. (the "Distributor") acts as the Fund's principal underwriter in the continuous public offering of the Fund's Class A, Class B, Class C and Class M Shares, but is not obligated to sell a specific number of shares. Expenses normally attributable to sales (other than those paid under the Distribution and Service Plans, but 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 December 31, 1993, 1994 and 1995, the aggregate amount of sales charge on sales of the Fund's Class A Shares then outstanding (and which have since been redesignated as Class M Shares) was \$1,625,106, \$1,699,143 and \$2,744,786 respectively, of which Rochester Fund Distributors, Inc., the Fund's previous principal underwriter, retained \$148,714, \$171,428 and \$227,846 in those respective years. Class A Shares and Class C Shares (as currently offered) were not offered during those periods and, thus, no contingent deferred sales charges were collected by the Fund's previous distributor. Class B Shares were offered to the public

commencing on May 2, 1995. During the period from May 2, 1995 through December 31, 1995, the contingent deferred sales charge collected by Rochester Fund Distributors, Inc. on the redemption of Class B Shares totalled \$5,001. For additional information about distribution of the Fund's shares and the payments made by the Fund to the Distributor in connection with such activities, please refer to "Distribution and Service Plans," below.

-- THE TRANSFER AGENT. OppenheimerFunds Services, a division of the Manager, serves as the Fund's Transfer Agent pursuant to a Service Contract dated ____, 1996. The Transfer Agent is responsible for maintaining shareholder accounting records, and for shareholder servicing and administrative functions. The Transfer Agent is compensated on the basis of a fixed fee per account. The compensation paid by the Fund for such services under a comparable arrangement with Rochester Fund Services, Inc., the Fund's previous shareholder services agent, for the fiscal years ending December 31, 1993, 1994 and 1995 was \$42,191, \$129,352 and \$243,643 respectively.

-- ACCOUNTING AND RECORDKEEPING SERVICES. The Manager also provides certain accounting and recordkeeping services to the Fund pursuant to an Accounting and Administration Agreement entered

-19-

into on January 4, 1996. The services provided pursuant to the Fund thereunder include the maintenance of general ledger accounts and records relating to the business of the Fund in the form required to comply with the Investment Company Act and the calculation of the daily net asset value of the Fund. The compensation paid by the Fund for these services to Rochester Fund Services, Inc. its previous shareholder services agent, for the fiscal years ended December 31, 1993, 1994 and 1995 was \$19,450, \$35,775 and \$62,450.

BROKERAGE POLICIES OF THE FUND

BROKERAGE PROVISIONS OF THE INVESTMENT ADVISORY AGREEMENT. One of the duties of the Manager under the Advisory Agreement is to arrange the portfolio transactions for the Fund. The Advisory Agreement contains provisions relating to the employment of broker-dealers ("brokers") to effect the Fund's portfolio transactions. In doing so, the Manager is authorized by the Advisory Agreement to employ broker-dealers, including "affiliated" brokers, as that term is defined in the Investment Company Act, 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 such transactions. The Manager need not seek competitive commission bidding but is expected to minimize the commissions paid to the extent consistent with the interest and policies of the Fund as established by its Board of Trustees.

Under the Advisory Agreement, the Manager is authorized to select brokers that provide brokerage and/or research services for the Fund and/or the other accounts over which the Manager or its affiliates have investment discretion. The commissions paid to such brokers may be higher than that which would have been charged by another qualified broker if a good faith determination is made by the Manager that the commission is fair and reasonable in relation to the services provided. Subject to the foregoing considerations, the Manager may also consider sales of shares of the Fund and other investment companies managed by the Manager or its affiliates as a factor in the selection of brokers for the Fund's portfolio transactions.

DESCRIPTION OF BROKERAGE PRACTICES FOLLOWED BY THE MANAGER. Subject to the provisions of the Advisory Agreement and the procedures and rules described above, allocations of brokerage are generally made by the Manager's portfolio traders based upon recommendations from the Manager's portfolio managers. In certain instances, portfolio managers may directly place trades and allocate brokerage, also subject to the provisions of the Advisory Agreement and the procedures and rules described above. In either case, brokerage is allocated under the supervision of the Manager's executive officers. Transactions in securities other than those for which an exchange is the primary market are generally done with principals or market makers. As stated in the prospectus, the portfolio securities of the Fund are generally traded on a net basis and, as such, do not involve the payment of brokerage commissions. It is the policy of the Manager to obtain the best net results in conducting portfolio transactions for the Fund, taking into account such factors as price (including the applicable dealer spread) and the firm's general execution capabilities. Where more than one dealer is able to provide the most competitive price, both the sale of Fund shares and the receipt of research may be taken into consideration as factors in the selection of dealers to execute portfolio transactions for the Fund. The transaction costs associated with such transactions consist primarily of the payment of dealer and underwriter spreads. Brokerage commissions are paid primarily for effecting transactions in listed securities and or for certain fixed-income agency transactions, in the

-20-

secondary market, otherwise only if it appears likely that a better price or execution can be obtained. When the Fund engages in an option transaction, ordinarily the same broker will be used for the purchase or sale of the option and any transaction in the securities to which the option relates. When possible, concurrent orders to purchase or sell the same security by more than one of the accounts managed by the Manager or its affiliates are combined. The transactions effected pursuant to such combined orders are averaged as to price and allocated in accordance with the purchase or sale orders actually placed for each account.

The research services provided by a particular broker may be useful in one or more of the advisory accounts of the Manager and its affiliates. The research services provided by brokers broaden the scope and supplement the research activities of the Manager, by making available additional views for consideration and comparisons. The Board of Trustees, including the "independent" Trustees of the Fund (those Trustees of the Fund who are not "interested persons" as defined in the Investment Company Act, and who have no direct or indirect financial interest in the operation of the Advisory Agreement or the Distribution Plans described below) annually reviews information furnished by the Manager as to the commissions paid to brokers furnishing such services so that the Board may ascertain whether the amount of such commissions was reasonably related to the value or benefit of such services. Total brokerage commissions paid by the Fund (not including any spreads or concessions on principal transactions on a net trade basis) for the fiscal years ended December 31, 1993, 1994 and 1995 were approximately \$19,847, \$44,872 and \$86,680 respectively.

A change in securities held by the Fund is known as "portfolio turnover". The Fund's options hedging and income strategies may increase the portfolio turnover of the Fund. Therefore, the portfolio turnover of the Fund may be higher than other investment companies not utilizing such options trading techniques. As portfolio turnover increases, the Fund can be expected to incur brokerage commission expenses and transaction costs which will be borne by the Fund. In any particular year, however, market conditions could result in portfolio activity at a greater or lesser rate than anticipated. For the fiscal years ended December 31, 1993, 1994, and 1995 the Fund's portfolio turnover rates were and 88.66%, 52.82% and 57.10% respectively.

PERFORMANCE OF THE FUND

YIELD AND TOTAL RETURN INFORMATION. As described in the Prospectus, from time to time the "standardized yield," "dividend yield," "average annual total return," "cumulative total return," "average annual total return at net asset value" and "total return at net asset value" of an investment in a class of shares of the Fund may be advertised. An explanation of how these total returns are calculated for each class and the components of those calculations is set forth below. The Fund currently offers four classes of shares of beneficial interest: Class A Shares, Class B Shares, Class C Shares and Class M Shares. The different classes of shares represent investments in the same portfolio of securities, but are subject to different expenses and are likely to have different share prices. On March 11, 1996, the Fund redesignated its Class A Shares which had been outstanding prior to that date as "Class M Shares", authorized the issuance of two new classes of shares (Class A Shares and Class C Shares) and ceased offering its Class Y Shares. Class B Shares were first publicly offered on May 2, 1995. No performance information is presented below for Class A Shares or Class C Shares because no shares of those classes were issued during the fiscal year ended

-21-

December 31, 1995.

The Fund's advertisements of its performance data with respect to any class must, under applicable rules of the Securities and Exchange Commission, include the average annual total returns for that class of shares of the Fund for the 1, 5, and 10-year periods (or the life of the class, if less) ending as of the most recently-ended calendar quarter prior to the publication of the advertisement. This enables an investor to compare the Fund's performance to the performance of other funds for the same periods. However, a number of factors should be considered before using such information as a basis for comparison with other investments. An investment in the Fund is not insured; its returns and share prices are not guaranteed and normally will fluctuate on a daily basis. When redeemed, an investor's shares may be worth more or less than their original cost. Returns for any given past period are not a prediction or representation by the Fund of future returns. The returns of each class of shares of the Fund are affected by portfolio quality, the type of investments the Fund holds and its operating expenses allocated to the particular class.

| | STANDARDIZED YIELDS

| | YIELD. The Fund's "yield" (referred to as "standardized yield") for a

given 30-day period for a class of shares is calculated using the following formula set forth in rules adopted by the Securities and Exchange Commission that apply to all funds that quote yields:

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

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 shares of that class outstanding during the 30-day period that were entitled to receive dividends.
- d = the maximum offering price per share of that class on the last day of the period, adjusted for undistributed net investment income.

The standardized yield of a class of shares for a 30-day period may differ from its yield for any other period. The SEC formula assumes that the standardized 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 actual distributions paid by the Fund to shareholders in the 30-day period, but is a hypothetical yield based upon the net investment income from the Fund's portfolio investments calculated for that period. The standardized yield may differ from the "dividend yield" of that class, described below. Additionally, because each class of shares is subject to different expenses, it is likely that the standardized yields of the Fund's classes of shares will differ. For the 30-day period ended December 31, 1995, the standardized yields for the Fund's then outstanding Class A, Class B and Class Y Shares were 5.29%, 5.29% and 5.29%, respectively. The Fund's then outstanding Class A Shares have been redesignated as Class M Shares. The Fund no longer offers Class Y Shares. No standardized yields are presented for Class A Shares or Class C Shares

-22-

because no shares of that class were issued during the fiscal year ended December 31, 1995.

| | DIVIDEND YIELD AND DISTRIBUTION RETURN. From time to time the Fund may quote a "dividend yield" or a "distribution return" for each class. Dividend yield is based on the dividends paid on shares of a class from dividends derived from net investment income during a stated period. Distribution return includes dividends derived from net investment income and from realized capital gains declared during a stated period. 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:

$$\text{Dividend Yield of the Class} = \frac{\text{Dividends of the Class}}{\text{Max. Offering Price of the Class (last day of period)}} \times 365$$

The maximum offering price for Class A Shares and Class M Shares includes the maximum front-end sales charge. For Class B or Class C shares, the maximum offering price is the net asset value per share, without considering the effect of contingent deferred sales charges.

-- TOTAL RETURN INFORMATION

| | AVERAGE ANNUAL TOTAL RETURNS. The "average annual total return" of each class is an average annual compounded rate of return for each year in a specified number of years. It is the rate of return based on the change in value of a hypothetical initial investment of \$1,000 ("P" in the formula below) held for a number of years ("n") to achieve an Ending Redeemable Value ("ERV") of that investment, according to the following formula:

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

| | CUMULATIVE TOTAL RETURNS. The cumulative "total return" calculation measures the change in value of a hypothetical investment of \$1,000 over an entire period of years. Its calculation uses some of the same factors as average annual total return, but it does not average the rate of return on an annual basis. Cumulative total return is determined as follows:

ERV-P
----- = Total Return
P

In calculating total returns for Class A Shares and Class M Shares, the current maximum sales charges of 5.75% and 3.25%, respectively (as a percentage of the offering price) are deducted from the initial investment ("P") (unless the return is shown at net asset value, as described below).

-23-

For Class B shares, payment of a contingent deferred sales charge of 5.0% for the first year, 4.0% for the second year, 3.0% for the third year, 3.0% for the fourth year, 2.0% for the fifth year and 1.0% for the sixth year, and none thereafter, is applied, as described in the Prospectus. For Class C Shares, the payment of the 1% contingent deferred sales charge for the first 12 months is applied as described in the Prospectus. Total returns also assume that all dividends and capital gains distributions during the period are reinvested to buy additional shares 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 the then outstanding Class A Shares of the Fund (which have now been redesignated as Class M Shares) for the one and five year periods ended December 31, 1995 and for the period from June 3, 1986 through December 31, 1995, were 21.90%, 19.77% and 9.97% respectively. The cumulative "total return" on Class A Shares (which have now been redesignated as Class M Shares) for the period from June 3, 1986 through December 31, 1995 was 148.34%. The cumulative total returns on Class B Shares and Class Y Shares for the period from May 1, 1995 through December 31, 1995 were 11.59% and 20.88%, respectively.

-- TOTAL RETURNS AT NET ASSET VALUE. From time to time the Fund may also quote an average annual total return at net asset value or a cumulative total return at net asset value for Class A, Class B, Class C or Class Y Shares. Each is based on the difference in net asset value per share at the beginning and the end of the period for a hypothetical investment in that class of shares (without considering front-end or contingent deferred sales charges) and takes into consideration the reinvestment of dividends and capital gains distributions. The cumulative total return at net asset value of the Fund's Class A Shares (which have been redesignated as Class M Shares) for the one year period ended December 31, 1995 and the period from June 3, 1986 through December 31, 1995 was 26.00% and 156.78%, respectively. The cumulative total returns at net asset value for Class B Shares and Class Y Shares for the period from May 1, 1995 through December 31, 1995 were 15.09% and 15.50% respectively. The Fund no longer offers Class Y Shares.

Total return information may be useful to investors in reviewing the performance of the Fund's Class A, Class B, Class C or Class M shares. However, when comparing total return of an investment in Class A, Class B, Class C or Class M Shares of the Fund with that of other alternatives, investors should understand that as the Fund invests in high yield securities, its shares are subject to greater market risks than shares of funds having other investment objectives and that the Fund is designed for investors who are willing to accept greater risk of loss in the hopes of realizing greater gains.

OTHER PERFORMANCE COMPARISONS. From time to time the Fund may publish the ranking of its Class A, Class B, Class C or Class M shares by Lipper Analytical Services, Inc. ("Lipper"), a widely-recognized independent service. Lipper monitors the performance of regulated investment companies, including the Fund, and ranks their performance for various periods based on categories relating to investment objectives. The performance of the Fund's classes are ranked against (i) all other funds (excluding money market funds), (ii) all other high current yield or fixed income funds and (iii) all other such funds in a specific size category. The Lipper performance rankings are based on total returns that include the reinvestment of capital gain distributions and income dividends but do not take sales charges or taxes into consideration.

From time to time the Fund may publish the ranking of the performance of its Class A, Class

-24-

B, Class C or Class M shares by Morningstar, Inc., an independent mutual fund monitoring service that ranks mutual funds, including the Fund, monthly in broad investment categories (equity, taxable bond, municipal bond and hybrid) based on risk-adjusted investment return. Investment return measures a fund's three, five and ten-year average annual total returns (when available) in excess of 90-day U.S. Treasury bill returns after considering sales charges and expenses. Risk reflects fund performance below 90-day U.S. Treasury bill monthly returns. Risk and return are combined to produce star rankings reflecting performance relative to the average fund in a fund's category. Five stars is the "highest" ranking (top 10%), four stars is "above average" (next 22.5%), three stars is "average" (next 35%), two stars is "below average" (next 22.5%) and one star is "lowest" (bottom 10%). Morningstar ranks the Class A, Class B, Class C and Class M shares

of the Fund in relation to other rated high yield funds. Rankings are subject to change.

The total return on an investment in the Fund's Class A, Class B, Class C or Class M Shares may be compared with performance for the same period of comparable indices, including but not limited to The First Boston Convertible Securities Index and the Goldman Sachs 100 Convertible Index. Both indices serve as a standard of comparison and measurement of market opportunities for convertible funds and illustrates the unique and dynamic characteristics of the convertible securities market. The First Boston Convertible Securities index is calculated at each month end. The Goldman Sachs 100 Convertible Index is comprised of 100 convertible securities. Index performance does not reflect any commissions or expenses that would be incurred if an investor individually purchased or sold the securities represented in an Index.

Investors may also wish to compare the return on the Fund's Class A, Class B or Class M Shares to the returns on fixed income investments available from banks and thrift institutions, such as certificates of deposit, ordinary interest-paying checking and savings accounts, and other forms of fixed or variable time deposits, and various other instruments such as Treasury bills. However, the Fund's returns and share price are not guaranteed by the FDIC or any other agency and will fluctuate daily, while bank depository obligations may be insured by the FDIC and may provide fixed rates of return, and Treasury bills are guaranteed as to principal and interest by the U.S. government.

From time to time, the Fund's Manager may publish rankings or ratings of the Manager (or Transfer Agent) or the investor services provided by them to shareholders of the Oppenheimer funds, other than performance rankings of the Oppenheimer funds themselves. Those ratings or rankings of shareholder/investor services by third parties may compare the Oppenheimer Funds' services to those of other mutual fund families selected by the rating or ranking services and may be based upon the opinions of the rating or ranking service itself, based on its research or judgment, or based upon surveys of investors, brokers, shareholders or others.

The performance of the Fund's Class A, Class B, Class C or Class M shares may also be compared in publications to (i) the performance of various market indices or to other investments for which reliable performance data is available, and (ii) to averages, performance rankings or other benchmarks prepared by recognized mutual fund statistical services.

-25-

DISTRIBUTION AND SERVICE PLANS

The Fund has adopted a Service Plan for Class A Shares and Distribution and Service Plans for Class B Shares, Class C Shares and Class M Shares under Rule 12b-1 of the Investment Company Act, pursuant to which the Fund makes payment to the Distributor in connection with the distribution and/or servicing of shares of that class as described in the Prospectus (collectively, the "Plans"). Each Plan is described in detail 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 Plans for Class A Shares and Class C Shares, that vote was cast by the Manager as the sole initial holder of Class A Shares and Class C Shares of the Fund. The fee structure of each of the Plans which became effective on January 4, 1996 (Class B Shares and Class M Shares) is identical to the fee structure of the Distribution Plan for each class of shares as in effect prior to that time. Prior to March 11, 1996, the Fund's Class M Shares had been designated as its Class A Shares. Class A Shares (as currently offered) and Class C Shares were initially offered on March 11, 1996. Neither the Class A Plan (as currently in effect) nor the Class C Plan was in effect during the fiscal year ended December 31, 1995.

In addition, under the Plans, the Manager and the Distributor, in their sole discretion, from time to time, may use their own resources (which, in the case of the Manager, may include profits from the advisory fee it receives from the Fund), to make payments to brokers, dealers or other financial institutions (each is referred to as a "Recipient" under the Plans) for distribution and administrative services they perform, at no cost to the Fund. The Distributor and the Manager may, in their sole discretion, increase or decrease the amount of payments they make to Recipients from their own resources.

Unless terminated as described below, each Plan continues 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. Each 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. No 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. In addition, because Class B shares of the Fund automatically convert into Class A shares after six years, the Fund is required to obtain the approval of Class B as well as Class A shareholders for a proposed amendment to the Class A Plan that would materially increase the amount to be paid by Class A shareholders under the Class A Plan. Such approval must be by a "majority" (as defined in the Investment Company Act), of the Class A and Class B shares voting separately by class. 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. The report for the Class B and Class C Plans shall also include the distribution costs of that quarter, and such costs for previous fiscal period that have been carried forward, as explained in the Prospectus and below. Those reports will be subject to the review and

-26-

approval of the Independent Trustees in the exercise of their fiduciary duty. 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 fees at the maximum rate and set no minimum amount of the assets.]

For the fiscal year ended December 31, 1995, payments under the Class A Plan totaled recipients as reimbursement for services and \$458,505 was retained by Rochester Fund Distributors, Inc. for its services in maintaining shareholder accounts. 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. Effective as of March 11, 1996, the Class A Plan was redesignated as Plan for Class M Shares.

For the fiscal year ended December 31, 1995, payments under the Class B Plan totaled \$92,392, all of which was paid to Rochester Fund Distributors, Inc., the Fund's previous distributor as reimbursement for expenses incurred by it for its services in maintaining shareholder accounts under the Class B Plan. No amounts were paid by Rochester Fund Distributors, Inc. to Recipients as reimbursement for expenses incurred by them for services in maintaining shareholder accounts under the Class B Plan for their services. Any unreimbursed expenses incurred with respect to Class B shares for any fiscal quarter by the Distributor may not be recovered under the Class B Plan in subsequent fiscal quarters.

For the fiscal year ended December 31, 1995, payments under the Class Y Plan totaled \$3,302. Of that amount, \$471 was paid by Rochester Fund Distributors, Inc. to Recipients as reimbursement for services and \$2,561 was retained by Rochester Fund Distributors, Inc. for its services in maintaining shareholder accounts. Any unreimbursed expenses incurred with respect to Class Y shares for any fiscal quarter by the Distributor may not be recovered under the Class Y Plan in subsequent fiscal quarters. The Fund no longer offers Class Y Shares.

The Class B Plan and the Class C Plan allow the service fee payment to be paid by the Distributor to Recipients in advance for the first year such shares are outstanding, and thereafter on a quarterly basis, as described in the Prospectus. The advance payment is based on the net asset valued Class B and Class C shares sold. An exchange of shares does not entitle the Recipient to an advance service fee payment. In the event Class B or Class C shares are redeemed during the first year that the shares are outstanding, the Recipient will be obligated to repay a pro rata portion of the advance payment for those shares to the Distributor.

Although the Class B and Class C Plans permit the Distributor to retain both the asset-based sales charges and the service fees on such shares, or to pay Recipients the service fee on a quarterly

-27-

basis, without payment in advance, the Distributor presently 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 B Plan and the Class C Plan by the Board. Initially, the Board has set no minimum holding period. All

payments under the Class B Plan and the Class C Plan are subject to the limitations imposed by the Rules of Fair Practice of the National Association of Securities Dealers, Inc., on payments of asset-based sales charges and service fees.

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 Class B and Class C 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 B Plan and Class C Plan and from 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 B Plan, the balance of \$400,000 (plus interest) would be subject to recovery in future fiscal years from such sources.

The Class B and Class C Plans provide for the distributor to be compensated at a flat rate, whether the Distributor's distribution expenses are more or less than the amounts paid by the Fund during that period. Such payments are made in recognition that the Distributor (i) pays sales commissions to authorized brokers and dealers at the time of sale and pays service fees as described in the Prospectus, (ii) may finance such commissions and/or the advance of the service fee payment to Recipients under those Plans, or may provide such financing from its own resources, or from an affiliate, (iii) employs personnel to support distribution of shares, and (iv) may bear the costs of sales literature, advertising and prospectuses (other than those furnished to current shareholders), state "blue sky" registration fees and certain other distribution expenses.

ABOUT YOUR ACCOUNT

HOW TO BUY SHARES

ALTERNATIVE SALES ARRANGEMENTS - CLASS A, CLASS B, CLASS C AND CLASS M SHARES.

The availability of four classes of shares permits 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. Any salesperson or other person entitled to receive compensation for selling Fund shares may receive different compensation with respect to one class of shares than another.

The four classes of shares each represent an interest in the same portfolio investments of the Fund. However, each class has different shareholder privileges and features. The net income attributable to Class B, Class C and Class M Shares and the dividends payable on Class B, Class

-28-

C and Class M Shares will be reduced by incremental expenses borne by those classes, including the asset-based sales charge to which Class B, Class C and Class M Shares are subject.

The conversion of Class B shares to Class A shares after six years is subject to the continuing availability of a private letter ruling from the Internal Revenue Service, or an opinion of counsel or tax adviser, to the effect that the conversion of Class B shares does not constitute a taxable event for the holder under Federal income tax law. If such a revenue ruling or opinion is no longer available, the automatic conversion feature may be suspended, in which event no further conversions of Class B shares would occur while such suspension remained in effect. Although Class B shares could then be exchanged for Class A shares on the basis of relative net asset value of the two classes, without the imposition of a sales charge or fee, such exchange could constitute a taxable event for the holder, and absent such exchange, Class B shares might continue to be subject to the asset-based sales charge for longer than six years.

The methodology for calculating the net asset value, dividends and distributions of the Fund's Class A, Class B, Class C and Class M Shares recognizes two types of expenses. General expenses that do not pertain specifically to any 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 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, Statements of Additional Information 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 (i) Distribution and/or Service Plan fees, (ii) incremental transfer and shareholder servicing agent fees and expenses, (iii) registration fees and (iv) shareholder meeting expenses, to the extent that such expenses pertain to a specific class rather than to the Fund as a whole.

DETERMINATION OF NET ASSET VALUE PER SHARE. The net asset values per share of Class A, Class B, Class C and Class M Shares of the Fund are determined as of the close of business of The New York Stock Exchange on each day that the Exchange is open, by dividing the value of the Fund's net assets attributable to that class by the number of shares of that class outstanding. The Exchange normally closes at 4:00 P.M., New York time, but may close earlier on some days (for example, in case of weather emergencies or on days falling before a holiday). The Exchange's most recent annual holiday schedule (which is subject to change) states that it will close on 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 when the Exchange is closed (including weekends and holidays). Because the Fund's net asset values will not be calculated on those days, the Fund's net asset value per share may be significantly affected on such days when shareholders may not purchase or redeem shares.

The Fund's Board of Trustees has established procedures for the valuation of the Fund's securities, generally as follows: (i) equity securities traded on a securities exchange or on the Nasdaq National Market System ("Nasdaq") are valued at the last reported sale prices on their primary exchange or Nasdaq that day (or, in the absence of sales that day, at values based on the last sale

-29-

prices of the preceding trading day, or closing bid and asked prices); (ii) securities actively traded on a foreign securities exchange are valued at the last sales price available to the pricing service approved by the Fund's Board of Trustees or to the Manager as reported by the principal exchange on which the security is traded; (iii) unlisted foreign securities or listed foreign securities not actively traded are valued as in (i) above, if available, or at the mean between "bid" and "asked" prices obtained from active market makers in the security on the basis of reasonable inquiry; (iv) long-term debt securities having a remaining maturity in excess of 60 days are valued at the mean between the "bid" and "asked" prices determined by a portfolio pricing service approved by the Fund's Board of Trustees or obtained from active market makers in the security on the basis of reasonable inquiry; (v) debt instruments having a maturity of more than one year when issued, and non-money market type instruments having a maturity of one year or less when issued, which have a remaining maturity of 60 days or less are valued at the mean between "bid" and "asked" prices determined by a pricing service approved by the Fund's Board of Trustees or obtained from active market makers in the security on the basis of reasonable inquiry; (vi) money market-type debt securities having a maturity of less than one year when issued that having a remaining maturity of 60 days or less are valued at cost, adjusted for amortization of premiums and accretion of discounts; and (vii) securities (including restricted securities) not having readily-available market quotations are valued at fair value under the Board's procedures.

Trading in securities on European and Asian exchanges and over-the-counter markets is normally completed before the close of the Exchange. 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 Exchange will not be reflected in the Fund's calculation of its 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 values, in which case an adjustment would be made. Foreign currency will be valued as close to the time fixed for the valuation date as is reasonably practicable. The values of securities denominated in foreign currency will be converted to U.S. dollars at the prevailing rates of exchange at the time of valuation. In the case of U.S. government and foreign securities and corporate bonds, where last sale information is not generally available, such pricing procedures may include "matrix" comparisons to the prices for comparable instruments 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.

Puts, calls and Futures held by the Fund are valued at the last sales price on the principal exchange on which they are traded, or on Nasdaq, as applicable as determined by a pricing service approved by the Board of Directors or by the Manager, or, if there are no sales that day, in accordance with (i), above. Forward currency contracts are valued at the closing price on the London foreign exchange market as provided by a reliable bank, dealer or pricing service. When the Fund writes an option, an amount equal to the premium received by the Fund is included in the Fund's 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. In determining the Fund's gain on investments, if a call written by

the Fund is exercised, the proceeds are increased by the premium received. If a call or put written by the Fund expires, the Fund has a gain in the amount of the premium; if the Fund enters into a closing purchase transaction, it will have a gain or loss depending on whether the premium was more

-30-

or less than the cost of the closing transaction. If the Fund exercises a put it holds, the amount the Fund receives on its sale of the underlying investment is reduced by the amount of premium paid by the Fund.

ACCOUNTLINK. When shares are purchased through AccountLink, each purchase must be at least \$25.00. Shares will be purchased on the regular business day the Distributor is instructed to initiate the Automated Clearing House transfer to buy shares. Dividends will begin to accrue on shares purchased by the proceeds of ACH transfers on the business day the Fund receives Federal Funds for the purchase through the ACH system before the close of The New York Stock Exchange. The Exchange normally closes at 4:00 P.M., but may close earlier on certain days. If Federal Funds are received on a business day after the close of the Exchange, the shares will be purchased and dividends will begin to accrue on the next regular business day. The proceeds of ACH transfers are normally received by the Fund 3 days after the transfers are initiated. The Distributor and the Fund are not responsible for any delays in purchasing shares resulting from delays in ACH transmissions.

REDUCED SALES CHARGES. See How to Purchase Shares in the Prospectus for a description of how Shares of each class are offered to the public and how the excess of public offering price over the net amount invested, if any, is allocated to authorized dealers. The Prospectus describes several special purchase plans and methods by which Shares of each class may be purchased. As discussed in the Prospectus, a reduced sales charge rate may be obtained for Class A Shares and Class M Shares under Right of Accumulation and Letters of Intent because of the economies of sales efforts and 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, siblings, a sibling's spouse and a spouse's siblings.

-- THE OPPENHEIMER FUNDS. The Oppenheimer funds are those mutual funds for which the Distributor acts as the distributor or the sub-distributor and include the following:

Oppenheimer Tax-Free Bond Fund
Oppenheimer New York Tax-Exempt Fund
Oppenheimer California Tax-Exempt Fund
Oppenheimer Intermediate Tax-Exempt Fund
Oppenheimer Insured Tax-Exempt Fund
Oppenheimer Main Street California Tax-Exempt Fund
Oppenheimer Florida Tax-Exempt Fund
Oppenheimer Pennsylvania Tax-Exempt Fund
Oppenheimer New Jersey Tax-Exempt Fund
Oppenheimer Fund
Oppenheimer Discovery Fund
Oppenheimer Target Fund
Oppenheimer Growth Fund
Oppenheimer Equity Income Fund
Oppenheimer Value Stock Fund
Oppenheimer Asset Allocation Fund

-31-

Oppenheimer Total Return Fund, Inc.
Oppenheimer Main Street Income & Growth Fund
Oppenheimer High Yield Fund
Oppenheimer Champion High Yield Fund
Oppenheimer U.S. Government Trust
Oppenheimer Limited-Term Government Fund
Oppenheimer Global Fund
Oppenheimer Global Emerging Growth Fund
Oppenheimer Global Growth & Income Fund
Oppenheimer Gold & Special Minerals Fund
Oppenheimer Strategic Income Fund
Oppenheimer Strategic Income & Growth Fund
Oppenheimer Bond Fund
Oppenheimer International Bond Fund
and the following "Money Market Funds":

Oppenheimer Money Market Fund, Inc.
Oppenheimer Cash Reserves
Centennial Money Market Trust
Centennial Tax Exempt Trust

There is an initial sales charge on the purchase of Class A shares of each of the Oppenheimer funds except Money Market Funds (under certain circumstances described herein, redemption proceeds of Money Market Fund shares may be subject to a contingent deferred sales charge).

-- LETTERS OF INTENT. A Letter of Intent (referred to as a "Letter") is an investor's statement in writing to the Distributor of the intention to purchase Class A Shares and Class M Shares of the Fund (and Class A and Class B shares of other Oppenheimer funds) during a 13-month period (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 Letter states the investor's intention to make the aggregate amount of purchases of shares which, when added to the investor's holdings of shares of those funds, will equal or exceed the amount specified in the Letter. Purchases made by reinvestment of dividends or distributions of capital gains and purchases made at net asset value without sales charge do not count toward satisfying the amount of the Letter. A Letter enables an investor to count the Class A and Class B Shares purchased under the Letter to obtain the reduced sales charge rate on purchases of Class A Shares and Class M Shares of the Fund (and Class A Shares and Class B Shares of other Oppenheimer funds) that applies under the Right of Accumulation to current purchases of Class A Shares or Class M Shares. Each purchase of Class A Shares of Class M Shares under the Letter will be made at the public offering price (including the sales charge) that applies to a single lump-sum purchase of shares in the amount intended to be purchased under the Letter.

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 shares on the last day of that period, do not equal or exceed the intended purchase 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 purchase amount will be held in escrow by the Transfer Agent subject to the Terms of Escrow. Also, the investor agrees to be bound by the terms of the Prospectus, this Statement of Additional Information and the Application used for such Letter of Intent, and if such terms are amended, as they may be from time to time by the Fund, that those amendments will apply automatically to existing Letters of Intent.

For purchases of shares of the Fund and other Oppenheimer funds by OppenheimerFunds prototype 401(k) plans under a Letter of Intent, the Transfer Agent will not hold shares in escrow. If the intended purchase amount under the Letter entered into by an OppenheimerFunds prototype 401(k) plan is not purchased by the plan by the end of the Letter of Intent period, there will be no adjustment of commissions paid to the broker-dealer or financial institution of record for accounts held in the name of that plan.

If the total eligible purchases made during the Letter of Intent period do not equal or exceed the intended purchase 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 purchases. If total eligible purchases during the Letter of Intent period exceed the intended purchase 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 advise the Distributor about 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 That Apply to Letters of Intent.

1. Out of the initial purchase (or subsequent purchases if necessary) made pursuant to a Letter, shares of the Fund equal in value up to 5% of the intended purchase amount specified in the Letter shall be held in escrow by the Transfer Agent. For example, if the intended purchase amount 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 gains distributions on the escrowed shares will be credited to the investor's account.

2. If the intended purchase amount specified under the Letter is completed within the thirteen-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 purchase 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 as attorney-in-fact to surrender for redemption any or all escrowed shares.

5. The shares eligible for purchase under the Letter (or the holding of which may be counted toward completion of a Letter) include (a) Class A Shares sold with a front-end sales charge or subject to a Class A contingent deferred sales charge, (b) Class M Shares sold with a front-end sales charge, (c) Class B shares of other Oppenheimer funds acquired subject to a contingent deferred sales charge, and (d) Class A shares or Class B shares acquired in exchange for either (i) Class A shares of one of the other Oppenheimer funds that were acquired subject to a Class A initial or contingent deferred sales charge or (ii) Class B shares of one of the other Oppenheimer funds that were acquired subject to a contingent deferred sales charge.

-34-

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

ASSET BUILDER PLANS. 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 Sell Shares," in the Prospectus. Asset Builder Plans also enable shareholders of Oppenheimer Cash Reserves to use those accounts for monthly automatic purchases of shares of up to four other Oppenheimer funds.

There is a front-end sales charge on the purchase of certain Oppenheimer funds, or a contingent deferred sales charge may apply to shares purchased by Asset Builder payments. An application should be obtained from the Distributor, completed and returned, and a prospectus of the selected fund(s) should be obtained from the Distributor or your financial advisor before initiating Asset Builder payments. The amount of the Asset Builder investment may be changed or the automatic investments may be terminated at any time by writing to the Transfer Agent. A reasonable period (approximately 15 days) is required after the Transfer Agent's 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.

CANCELLATION OF PURCHASE ORDERS. Cancellation of purchase orders for the Fund's shares (for example, when a purchase check is returned to the Fund unpaid) causes a loss to be incurred when the net asset value of the Fund's shares on the cancellation date is less than on the purchase date. That loss is equal to the amount of the decline in the net asset value per share multiplied by the number of shares in the purchase order. The investor is responsible for that loss. If the investor fails to compensate the Fund for the 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 Fund or the Distributor may seek other redress.

HOW TO SELL SHARES

Information on how to sell shares of the Fund is stated in the Prospectus. The information below supplements the terms and conditions for redemptions set

forth in the Prospectus.

-- CHECKWRITING. When a check is presented to the Bank for clearance, the Bank will ask the Fund to redeem a sufficient number of full and fractional shares in the shareholder's account to cover the amount of the check. This enables the shareholder to continue receiving dividends on those shares 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 to obtain cash at other banks. The Fund reserves the right to amend, suspend or discontinue offering checkwriting privileges at any time without prior notice.

-- INVOLUNTARY REDEMPTIONS. The Fund's Board of Trustees has the right to cause the involuntary redemption of the shares held in any account if the aggregate net asset value of those shares is less than \$_____ or such lesser amount as the Board may fix. The Board of Trustees will not cause the involuntary redemption of shares in an account if the aggregate net asset value of the shares has fallen below the stated minimum solely as a result of market fluctuations. Should the

-35-

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 the Board may set requirements for granting permission to the Shareholder to increase the investment, and set other terms and conditions so that the shares would not be involuntarily redeemed.

REINVESTMENT PRIVILEGE. Within six months of a redemption, a shareholder may reinvest all or part of the redemption proceeds of (i) Class A shares, (ii) Class B shares or (iii) Class C shares that were subject to the Class C contingent deferred sales charge when redeemed. The reinvestment may be made without sales charge only in Class A shares of the Fund or any of the other Oppenheimer funds into which shares of the Fund are exchangeable as described below, at the net asset value next computed after the Transfer Agent receives the reinvestment order. The shareholder must ask the Distributor for that privilege at the time of reinvestment. Any capital gain that was realized when the shares were redeemed is taxable, and reinvestment will not alter any capital gains tax payable on that gain. If there has been a capital loss on the redemption, some or all of the loss may not be tax deductible, depending on the timing and amount of the reinvestment. Under the Code, if the redemption proceeds of Fund shares on which a sales charge was paid are reinvested in shares of the Fund or another of the Oppenheimer funds within 90 days of payment of the sales charge, the shareholder's basis in the shares of the Fund that were redeemed may not include the amount of the sales charge paid. That would reduce the loss or increase the gain recognized from the redemption. However, in that case the sales charge would be added to the basis of the shares acquired by the reinvestment of the redemption proceeds. 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.

TRANSFERS OF SHARES. Shares are not subject to the payment of a contingent deferred sales charge of any class at the time of transfer to the name of another person or entity (whether the transfer occurs by absolute assignment, gift or bequest, not involving, directly or indirectly, a public sale). The transferred shares will remain subject to the contingent deferred sales charge, 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 some but not all shares in the account would be subject to a contingent deferred sales charge if redeemed at the time of transfer, the priorities described in the Prospectus under "How to Buy Shares" for the imposition of the Class B or Class C contingent deferred sales charge will be followed in determining the order in which shares are transferred.

DISTRIBUTIONS FROM RETIREMENT PLANS. Requests for distributions from OppenheimerFunds-sponsored IRAs, 403(b)(7) custodial plans, 401(k) plans or pension or profit-sharing plans should be addressed to "Trustee, OppenheimerFunds Retirement Plans," c/o the Transfer Agent at its address listed in "How To Sell Shares" in the Prospectus or on the back cover of this Statement of Additional Information. The request 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 other redemption requirements. Participants (other than self-employed persons maintaining a plan account in their own name) in OppenheimerFunds-sponsored prototype pension, profit-sharing or 401(k) plans may not directly redeem or exchange shares held for their account under those plans. The employer or plan administrator must sign the request. Distributions from pension and profit sharing plans are subject to special requirements under the Code and certain documents (available from the Transfer Agent) must be completed before the

-36-

distribution may be made. Distributions from retirement plans are subject to withholding requirements under the 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 Code requires that tax be withheld from any distribution even if the shareholder elects not to have tax withheld. The Fund, the Manager, the Distributor, the Trustee 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 tax penalties assessed in connection with a distribution.

SPECIAL ARRANGEMENTS FOR REPURCHASE OF SHARES FROM DEALERS AND BROKERS. The Distributor is the Fund's agent to repurchase its shares from authorized dealers or brokers. The repurchase price per share will be the net asset value next computed after the Distributor receives the order placed by the dealer or broker, except that if the Distributor receives a repurchase order from a dealer or broker after the close of The New York Stock Exchange on a regular business day, it will be processed at that day's net asset value if the order was received by the dealer or broker from its customers prior to the time the Exchange closes (normally, that is 4:00 P.M., but may be earlier on some days) and the order was transmitted to and received by the Distributor prior to its close of business that day (normally 5:00 P.M.). Ordinarily, for accounts redeemed by a broker-dealer under this procedure, payment will be made within three business days after the shares have been redeemed upon the Distributor's receipt the required redemption documents in proper form, with the signature(s) of the registered owners guaranteed on the redemption document as described in the Prospectus.

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 month may be requested by telephone if payments are to be made 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 a 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 share purchases while participating in an Automatic Withdrawal Plan. Class B and Class C shareholders should not establish withdrawal plans because of the imposition of the contingent deferred sales charge on such withdrawals (except where the contingent deferred sales charge is waived as described in the Prospectus under "Waivers of Class B Contingent Deferred Sales Charge" or in "Waivers of Class C Contingent Deferred Sales Charge").

By requesting an Automatic Withdrawal or Exchange Plan, the shareholder agrees to the terms and conditions applicable to such plans, as stated below and in the provisions of the OppenheimerFunds Application relating to such Plans, as well as the Prospectus. These provisions may be amended from time to time by the Fund and/or the Distributor. When adopted, such amendments will automatically apply to existing Plans.

-37-

-- **AUTOMATIC EXCHANGE PLANS.** Shareholders can authorize the Transfer Agent (on the OppenheimerFunds Application or signature-guaranteed instructions) to exchange a pre-determined amount of shares of the Fund for shares (of the same class) of other Oppenheimer funds automatically on a monthly, quarterly, semi-annual or annual basis under an Automatic Exchange Plan. The minimum amount that may be exchanged to each other fund account is \$25. Exchanges made under these plans are subject to the restrictions that apply to exchanges as set forth in "How to Exchange Shares" in the Prospectus and below in this Statement of Additional Information.

-- **AUTOMATIC WITHDRAWAL PLANS.** Fund shares will be redeemed as necessary to meet withdrawal payments. Shares acquired without a sales charge will be redeemed first and shares acquired with reinvested dividends and capital gains distributions will be redeemed next, followed by shares acquired with a sales charge, to the extent necessary to make withdrawal payments. Depending upon the amount withdrawn, the investor's principal may be depleted. Payments made under withdrawal plans should not be considered as a yield or income on your investment.

The Transfer Agent will administer the investor's Automatic Withdrawal Plan (the "Plan") as agent for the investor (the "Planholder") who executed the Plan authorization and application submitted to the Transfer Agent. The Transfer Agent and the Fund shall incur no liability to the Planholder for any action taken or omitted by the Transfer Agent in good faith to administer the Plan. 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 held by a 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.

For accounts subject to Automatic Withdrawal Plans, 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 on shares held in the account may be paid in cash or reinvested.

Redemptions of shares needed to make withdrawal payments will be made at the net asset value per share determined on the redemption date. Checks or AccountLink payments of the proceeds of Plan withdrawals will normally be transmitted three business days prior to the date selected for receipt of the payment (receipt of payment on the date selected cannot be guaranteed), according to the choice specified in writing by the Planholder.

The amount and the interval of disbursement payments and the address to which checks are to be mailed or AccountLink payments are to be sent may be changed at any time by the Planholder by writing to the Transfer Agent. The Planholder should allow at least two weeks' time in mailing such notification for the requested change to be put in effect. 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 that 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 to the Planholder.

The Plan may be terminated at any time by the Planholder by writing to the Transfer Agent. A Plan may also be terminated at any time by the Transfer Agent upon receiving directions to that effect from the Fund. The Transfer Agent will also terminate a Plan upon receipt of evidence

-38-

satisfactory to it of the death or legal incapacity of the Planholder. Upon termination of a Plan by the Transfer Agent or the Fund, shares that have not been redeemed from the account will be held in uncertificated form 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 or his or her executor or guardian, or other authorized person.

To use shares held under the Plan as collateral for a debt, the Planholder may request issuance of a portion of the shares in certificated form. Upon written request from the Planholder, the Transfer Agent will determine the number of shares for which a certificate may be issued without causing the withdrawal checks to stop because of exhaustion of uncertificated shares needed to continue payments. However, should such uncertificated shares become exhausted, Plan withdrawals will terminate.

If the Transfer Agent ceases to act as transfer agent for the Fund, the Planholder will be deemed to have appointed any successor transfer agent to act as agent in administering the Plan.

HOW TO EXCHANGE SHARES

As stated in the Prospectus, shares of a particular class of Oppenheimer funds having more than one class of shares may be exchanged only for shares of the same class of other Oppenheimer funds. Shares of the Oppenheimer funds that have a single class without a class designation are deemed "Class A" shares for this purpose. All of the Oppenheimer funds offer Class A shares, but certain other Oppenheimer funds do not presently offer either or both of Class B or Class C shares. Class M Shares of the Fund may be exchanged for Class A Shares of other Oppenheimer funds. There are no exchanges available from any class of shares of any of the Oppenheimer funds into the Fund's Class M Shares. A list showing which funds offer which class can be obtained by calling the Distributor at 1-800-525-7048.

Class A shares of Oppenheimer funds may be exchanged at net asset value for shares of any Money Market Fund. Shares of any Money Market Fund purchased without a sales charge may be exchanged for shares of Oppenheimer funds offered with a sales charge upon payment of the sales charge (or, if applicable, may be used to purchase shares of Oppenheimer funds subject to a contingent deferred sales charge). However, shares of Oppenheimer Money Market Fund, Inc. purchased with the redemption proceeds of shares of other mutual funds (other than funds managed by the Manager or its subsidiaries) redeemed within the 12 months prior

to that purchase may subsequently be exchanged for shares of other Oppenheimer funds without being subject to an initial or contingent deferred sales charge, whichever is applicable. To qualify for that privilege, the investor or the investor's dealer must notify the Distributor of eligibility for this privilege at the time the shares of Oppenheimer Money Market Fund, Inc. are purchased, and, if requested, must supply proof of entitlement to this privilege. No contingent deferred sales charge is imposed on exchanges of shares of either class purchased subject to a contingent deferred sales charge. However, when Class A shares acquired by exchange of Class A shares of other Oppenheimer funds purchased subject to a Class A contingent deferred sales charge 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 contingent deferred sales charge is imposed on the redeemed shares (see "Class A Contingent Deferred Sales Charge" in the Prospectus). The Class B contingent deferred sales charge is imposed on Class B shares acquired by exchange if they are redeemed within 6 years of the initial purchase of the exchanged Class B shares. The Class C contingent deferred sales charge is imposed on Class C

-39-

shares acquired by exchange if they are redeemed within 12 months of the initial purchase of the exchanged Class C shares.

When Class B or Class C shares are redeemed to effect an exchange, the priorities described in "How To Buy Shares" in the Prospectus for the imposition of the Class B or the Class C contingent deferred sales charge will be followed in determining the order in which the shares are exchanged. Shareholders should take into account the effect of any exchange on the applicability and rate of any contingent deferred sales charge that might be imposed in the subsequent redemption of remaining shares. Shareholders owning shares of more than one class must specify whether they intend to exchange Class A, Class B, Class C Shares or Class M Shares.

The Fund reserves the right to reject telephone or written exchange requests submitted in bulk by anyone on behalf of 10 or more accounts. The Fund may accept requests for exchanges of up to 50 accounts per day from representatives of authorized dealers that qualify for this privilege. In connection with any exchange request, the number of shares exchanged may be less than the number requested if the exchange or the number requested would include shares subject to a restriction cited in the Prospectus or this Statement of Additional Information or would include shares covered by a share certificate that is not tendered with the request. In those cases, only the shares available for exchange without restriction will be exchanged.

When exchanging shares by telephone, a shareholder must either have an existing account in, or obtain and acknowledge receipt of a prospectus of, the fund to which the exchange is to be made. For full or partial exchanges of an account made by telephone, any special account features such as Asset Builder Plans, Automatic Withdrawal Plans, Checkwriting, if available, and retirement plan contributions will be switched to the new account unless the Transfer Agent is instructed otherwise. If all telephone lines are busy (which might occur, for example, during periods of substantial market fluctuations), shareholders might not be able to request exchanges by telephone and would have to submit written exchange requests.

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 reserves the right, in its discretion, to refuse any exchange request that may disadvantage it (for example, if the receipt of multiple exchange requests from a dealer might require the disposition of portfolio securities at a time or at a price that might be disadvantageous to the Fund).

The different Oppenheimer funds available for exchange have different investment objectives, policies and risks, and a shareholder should assure that the Fund selected is appropriate for his or her investment and should be aware of the tax consequences of an exchange. For federal income tax purposes, an exchange transaction is treated as a redemption of shares of one fund and a purchase of shares of another. "Reinvestment Privilege," above, discusses some of the tax consequences of reinvestment of redemption proceeds in such cases. The Fund, the Distributor, and the Transfer Agent are unable to provide investment, tax or legal advice to a shareholder in connection with an exchange request or any other investment transaction.

-40-

DIVIDENDS AND DISTRIBUTIONS. 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 three business days following the trade date (i.e., to and including the day prior to settlement of the repurchase).

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. 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 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 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 the current 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 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.

-41-

ADDITIONAL INFORMATION ABOUT THE FUND

THE CUSTODIAN. Investors Bank & Trust Company ("Custodian"), whose principal business address is 89 South Street, Boston, MA 02111 is the Custodian of the Fund's assets. 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. 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.

INDEPENDENT AUDITORS. Price Waterhouse LLP, 1900 Chase Square, Rochester, NY 14604, serves as the Fund's independent accountants. The services provided by Price Waterhouse LLP include auditing services and review and consultations on various filings by the Fund with the Securities and Exchange Commission and tax authorities, and the Fund's financial statements and perform other related audit services. They also act as auditors for certain other funds advised by the Manager and its affiliates.

-42-

INVESTMENT ADVISER

OppenheimerFunds, Inc.
Two World Trade Center
New York, New York 10048-0203

DISTRIBUTOR

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

TRANSFER AGENT

OppenheimerFunds Services
P.O. Box 5270
Denver, Colorado 80217
1-800-525-7048

CUSTODIAN OF PORTFOLIO SECURITIES

Investors Bank & Trust Company
89 South Street
Boston, MA 02111

INDEPENDENT AUDITORS

Price Waterhouse LLP
1900 Chase Square
Rochester, NY 14604

LEGAL COUNSEL

Kirkpatrick & Lockhart LLP
1800 M Street, N.W.
Washington, D.C. 20036

APPENDIX A
DESCRIPTION OF BOND RATINGS

DESCRIPTION OF MOODY'S INVESTORS SERVICES, INC.
CORPORATE BOND RATINGS

Aaa -- Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt-edge." 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, such changes as can be visualized are most unlikely to impair the fundamental 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 because margins of protection may not be as large as in Aaa securities or fluctuations 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 in 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.

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 in fact have speculative characteristics as well.

Ba -- Bonds which are rated Ba are judged to have speculative elements; their future cannot be considered as well assured. Often the protection of interest and principal payments may be very moderate and thereby 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 the 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. Such issues 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. Such issues are often in default or have other marked shortcomings.

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

Moody's applies numerical modifiers 1, 2 and 3 to show relative standing within the major rating categories, except in the Aaa category. The modifier 1 indicates a ranking for the security in the higher end of a rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of a rating category.

Con. (---) -- Bonds for which the security depends upon the completion of some act of the fulfillment of some condition are rated conditionally. These are bonds secured by (1) earnings of projects under construction, (2) earnings of projects unseasoned in operation experiences, (3) rentals which begin when facilities are completed, or (4) payments to which some other limiting condition attaches. Parenthetical rating denotes probable credit stature upon completion of construction or elimination of condition.

STANDARD & POOR'S RATING GROUP BOND RATINGS

AAA -- This is the highest rating assigned by Standard & Poor's 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 the adverse effects of changes in circumstances and economic conditions.

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 capacity 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 of speculation. 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 -- The rating C is reserved for income bonds on which no interest is being paid.

D -- Bonds rated D are in default, and payment of principal and/or interest is in arrears.

Plus (+) or minus (-): The ratings from AA to BBB may be modified by the addition of a plus or minus sign to show relative standing within the major ratings categories.

Provisional Ratings: The letter "p" indicates that the rating is provisional. A provisional rating assumes the successful completion of the project being financed by the issuance of bonds being rated and indicates that payment of debt service requirements is largely or entirely dependent upon the successful and timely completion of the project, makes no comment on the likelihood of, or the risk of default upon failure of such completion. Accordingly, the investor should exercise his own judgement with respect to such likelihood and risk.

STANDARD & POOR'S RATING GROUP PREFERRED STOCK RATING DEFINITIONS

"AAA" This is the highest rating that may be assigned by Standard & Poor's to a preferred stock issue and indicates an extremely strong capacity to pay the preferred stock obligations.

"AA" A preferred stock issue rate "AA" also qualifies as a high-quality fixed income security. The capacity to pay preferred stock obligations is very strong, although not as overwhelming as for issues rated "AAA."

"A" An issue rated "A" is backed by a sound capacity to pay the preferred stock obligations, although it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions.

"BBB" An issue rated "BBB" is regarded as backed by an adequate capacity to pay the preferred stock obligations. Whereas it normally exhibits adequate

protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to make payments for a preferred stock in this category than for issues in the "A" category.

"BB," "B," "CCC" Preferred stock rated "BB," "B," and "CCC" are regarded, on balance, as predominantly speculative with respect to the issuer's capacity to pay preferred stock obligations. "BB" indicates the lowest degree of speculation and "CCC" the highest degree of speculation. While such issues will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions.

"CC" The rating "CC" is reserved for a preferred stock issue in arrears on dividends or sinking fund payments but that is currently paying.

"C" A preferred stock rated "C" is a non-paying issue.

"D" A preferred stock rated "D" is a non-paying issue with the issuer in default on debt instruments.

A-3

FITCH INVESTORS SERVICES, INC.

AAA bonds (highest quality): "The obligor has an extraordinary ability to pay interest and repay principal which is unlikely to be affected by reasonably foreseeable events."

AA bonds (high quality): "the obligor's ability to pay interest and repay principal, while very strong, is somewhat less than for AAA rated securities or more subject to possible change over the term of the issue."

A bonds (good quality): "the obligor's ability to pay interest and repay principal is strong, but may be more vulnerable to adverse changes in economic conditions and circumstances than bonds with higher ratings."

BBB bonds (satisfactory bonds): "the obligor's ability to pay interest and repay principal is considered to be adequate. Adverse changes in economic conditions and circumstances, however, are more likely to weaken this ability than bonds with higher ratings."

A-4

ROCHESTER FUND SERIES
THE BOND FUND FOR GROWTH

PART C

OTHER INFORMATION

ITEM 24. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements: None

(b) Exhibits:

(1) Amended and Restated Declaration of Trust as filed with the Common of Massachusetts on February 8, 1995, as amended on November 7, 1995--filed herewith

(2) Bylaws--filed with Registrant's Post Effective Amendment filed May 1, 1987--incorporated by reference

(3) Not Applicable

(4) (a) Specimen Share Certificates representing Class A Shares and Class B shares of The Bond Fund For Growth, a portfolio of the Registrant--filed with Registrant's Post Effective Amendment No. 14 filed February 28, 1995--incorporated by reference

(b) Specimen Share Certificates representing Class C Shares and Class M Shares of The Bond Fund For Growth, a portfolio of the Registrant--to be filed

(5) Investment Advisory Agreement dated January 4, 1996 with Oppenheimer Management Corporation--filed herewith

(6) (a) General Distributor's Agreement dated January 4, 1996 with Oppenheimer Funds Distributor, Inc.--filed herewith

(b) Form of Oppenheimer Funds Distributor Inc. Dealer Agreement--Filed with Post-Effective Amendment No. 14 of Oppenheimer Main Street Funds, Inc. (Reg. No. 33-17850) filed September 30, 1994--incorporated by reference

(c) Form of Oppenheimer Funds Distributor Inc. Broker Agreement--Filed with Post-Effective Amendment No. 14 of Oppenheimer Main Street Funds, Inc. (Reg. No. 33-17850) filed September 30, 1994--incorporated by reference

(d) Form of Oppenheimer Funds Distributor Inc. Agency Agreement--Filed with Post-Effective Amendment No. 14 of Oppenheimer Main Street Funds, Inc. (Reg. No. 33-17850) filed September 30, 1994--incorporated by reference

(7) Not Applicable

C-1

(8) Acknowledgement of Assignment of Custodian Agreement with Investors Bank & Trust Company--filed with Registrant's Post Effective Amendment No. 9 filed May 1, 1991--incorporated by reference

(9) (a) Accounting, Administration and Recordkeeping Agreement with Rochester Fund Services Inc. dated April 15, 1994 as assigned to Oppenheimer Management Corporation--filed herewith

(b) Form of Service Contract with Oppenheimer Shareholder Services--filed herewith

(10) Consent of Counsel--incorporated by reference to the Registrant's Rule 24f-2 Notice filed on February 17, 1995

(11) Independent Auditor's Consent--filed herewith

(12) Not Applicable

(13) Not Applicable

(14) (a) Form of Prototype Paired Money Purchase Pension and Profit Sharing Plan, with accompanying applications, sponsored by Rochester Fund Distributors, Inc. and utilized by the Registrant--filed with Registrant's Post Effective Amendment filed November 24, 1987--incorporated herein by reference

(b) Form 5305-A. Form of Individual Retirement Custodial Account designating First Pennsylvania Bank, N.A. as the Custodian for the proposed IRA accounts (revised to December 31, 1985)--filed with Registrant's Post Effective Amendment filed May 9, 1986--incorporated herein by reference

(c) Individual Retirement Account Disclosure Statement (revised to December 31, 1985)--filed with Registrant's Post Effective Amendment filed May 9, 1986--incorporated herein by reference

(d) Copy of Tax-Deferred Investment Plan [403(b)(7)] designating First Pennsylvania Bank, N.A. as the custodian of the proposed accounts--filed with Registrant's Post Effective Amendment filed May 9, 1986--incorporated herein by reference

(e) Form 5305-SEP. Form of Simplified Employee Pension-Individual Retirement Accounts Contribution Agreement--filed with Registrant's Post Effective Amendment filed May 9, 1986--incorporated herein by reference

(f) Form of prototype 401(k) Plan utilized by the Registrant, with accompanying application--filed with Registrant's Post Effective Amendment filed May 9, 1986--incorporated herein by reference

(15) (a) Amended and Restated Service Plan and Agreement with Oppenheimer Funds Distributor, Inc. dated January 4, 1996 for Class A Shares--filed herewith

(b) Amended and Restated Service Plan and Agreement with Oppenheimer Funds Distributor, Inc. dated January 4, 1996 for Class B Shares--filed herewith

C-2

(c) Form of Distribution and Service Plan and Agreement with Oppenheimer Funds Distributor, Inc. for Class C Shares--filed herewith

(d) Form of Service Plan and Agreement with Oppenheimer Funds Distributor, Inc. dated for Class M Shares--to be filed

(16) Performance Computation Schedule--to be filed

(17) (a) Financial Data Schedule for Class A Shares--to be filed

(b) Financial Data Schedule for Class B Shares--to be filed

(c) Financial Data Schedule for Class C Shares--to be filed

(d) Financial Data Schedule for Class M Shares--to be filed

(18) Oppenheimer Fund Multiple Class Plan under Rule 18f-3 dated January 5, 1996--filed herewith

-- Powers of Attorney

ITEM 25. PERSONS CONTROLLED BY OR UNDER COMMON CONTROL WITH REGISTRANT

The Board of Trustees of the Registrant is identical to the Boards of Trustees of Rochester Fund Municipals ("RFM") and the Limited Term New York Municipal Fund ("LTNYX") (collectively "The Rochester Funds").

C-3

ITEM 26. NUMBER OF HOLDERS OF SECURITIES

Title of Class	Number of Record Holders as of January 3, 1996
Shares of beneficial interest, Class A	17,128,930.2440
Shares of beneficial interest, Class B	2,437,810.8860
Shares of beneficial interest, Class C.....	-0-
Shares of beneficial interest, Class M.....	-0-
Shares of beneficial interest, Class Y.....	179,155.2070

ITEM 27. INDEMNIFICATION

Registrant's Amended and Restated Agreement and Declaration of Trust (the "Declaration of Trust"), which is incorporated herein as Exhibit 1, contains certain provisions relating to the indemnification of Registrant's officers and trustees. Section 6.4 of Registrant's Declaration of Trust provides that Registrant shall indemnify (from the assets of the Fund or Funds in question) each of its trustees and officers (including persons who served at Registrant's request as directors, officers or trustees of another organization in which Registrant has any interest as a shareholder, creditor or otherwise hereinafter referred to as a "Covered Person") against all liabilities, including but not limited to, amounts paid for satisfaction of judgments, in compromise or as fines and penalties, and expenses, including reasonable accountants' and counsel fees, incurred by any Covered Person in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, before any court or administrative or legislative body, in which such Covered Person may be or may have been involved as a party or otherwise or with which such person may be or may have been threatened, while in office or thereafter, by reason of being or having been such a trustee or officer, director or trustee, except with respect to any matter as to which it has been determined in one of the manners described below, that such Covered Person (i) did not act in good faith in the reasonable belief that such Covered Person's action was in or not opposed to the best interest of Registrant or (ii) had acted with willful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct described in (i) and (ii) being referred to hereafter as "Disabling Conduct".

Section 6.4 provides that a determination that the Covered Conduct may be made by (i) a final decision on the merits by a court or other body before whom the proceeding was brought that the person to be indemnified was not liable by reason of Disabling Conduct, (ii) dismissal of a court action or an administrative proceeding against a Covered Person for insufficiency of evidence of Disabling Conduct, or (iii) a reasonable determination, based upon a review of the facts, that the indemnity was not liable by reason of Disabling Conduct by (a) a vote of a majority of a quorum of trustees who are neither "interested

persons" of Registrant as defined in Section 2(a)(19) of the 1940 Act nor parties to the proceeding, or (b) an independent legal counsel in a written opinion.

C-4

In addition, Section 6.4 provides that expenses, including accountants' and counsel fees so incurred by any such Covered Person (but excluding amounts paid in satisfaction of judgments, in compromise or as fines or penalties), may be paid from time to time in advance of the final disposition of any such action, suit or proceeding, provided that the Covered Person shall have undertaken to repay the amounts so paid to the Sub-trust in question if it is ultimately determined that indemnification of such expenses is not authorized under Article 6 and (i) the Covered Person shall have provided security for such undertaking, (ii) Registrant shall be insured against losses arising by reason of any lawful advances, or (iii) a majority of a quorum of disinterested trustees who are not a party to the proceeding, by an independent legal counsel in a written opinion, based upon a review of readily available facts (as opposed to a full trial-type inquiry), that there is reason to believe that the Covered Person ultimately will be found entitled to indemnification.

Section 6.1 of Registrant's Agreement and Declaration of Trust provides, among other things, that nothing in the Agreement and Declaration of Trust shall protect any trustee or officer against any liability to Registrant or the shareholders to which such trustee or officer would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of the office of trustee or such officer.

Insofar as indemnification for liability arising under the Securities Act of 1933 may be permitted to trustees, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a trustee, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the 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 Act and will be governed by the final adjudication of such issue.

ITEM 28. BUSINESS AND OTHER CONNECTIONS OF INVESTMENT ADVISER

During the last two fiscal years, all other business, profession, vocation or employment of a substantial nature in which the investment adviser of Registrant and each director, officer or partner of that investment adviser have been engaged for their own account or in the capacity of director, officer, employee, partner or trustee is as follows:

(a) OppenheimerFunds, Inc. is the investment adviser of the Registrant; it and certain subsidiaries and affiliates act in the same capacity to other registered investment companies as described in Parts A and B hereof and listed in Item 28(b) below.

(b) There is set forth below information as to any other business, profession, vocation or employment of a substantial nature in which each officer and director of OppenheimerFunds, Inc. is, or at any time during the past two fiscal years has been, engaged for his/her own account or in the capacity of director, officer, employee, partner or trustee.

C-5

Name & Current Position with OppenheimerFunds, Inc. -----	Other Business and Connections During the Past Two Years -----
Lawrence Apolito, Vice President	None.
James C. Ayer, Jr., Assistant Vice President	Vice President and Portfolio Manager of Oppenheimer Gold & Special Minerals Fund and Oppenheimer Global Emerging Growth Fund.
Victor Babin, Senior Vice President	None.

Robert J. Bishop
Assistant Vice President

Assistant Treasurer of the Oppenheimer Funds
(listed below); previously a Fund Controller
for Oppenheimer Management Corporation (the
"Manager").

Bruce Bartlett
Vice President

Vice President and Portfolio Manager of
Oppenheimer Total Return Fund, Inc.,
Oppenheimer Main Street Funds, Inc. and
Oppenheimer Variable Account Funds; formerly a
Vice President and Senior Portfolio Manager at
First of America Investment Corp.

George Bowen
Senior Vice President
and Treasurer

Treasurer of the New York-based
Oppenheimer Funds; Vice President, Secretary
and Treasurer of the Denver-based Oppenheimer
Funds. Vice President and Treasurer of
Oppenheimer Funds Distributor, Inc. (the
"Distributor") and HarbourView Asset Management
Corporation ("HarbourView"), an investment
adviser subsidiary of OMC; Senior Vice
President, Treasurer, Assistant Secretary and a
director of Centennial Asset Management
Corporation ("Centennial"), an investment
adviser subsidiary of the Manager; Vice
President, Treasurer and Secretary of
Shareholder Services, Inc. ("SSI") and
Shareholder Financial Services, Inc. ("SFSI"),
transfer agent subsidiaries of OMC; President,
Treasurer and Director of Centennial Capital
Corporation; Vice President and Treasurer of
Main Street Advisers.

Michael A. Carbuto,
Vice President

Vice President and Portfolio Manager of
Oppenheimer Tax-Exempt Cash Reserves,
Centennial California Tax Exempt Trust,
Centennial New York Tax Exempt Trust and
Centennial Tax Exempt Trust; Vice President of
Centennial.

C-6

Name & Current Position
with OppenheimerFunds, Inc.

Other Business and Connections
During the Past Two Years

William Colbourne,
Assistant Vice President

Formerly, Director of Alternative Staffing
Resources, and Vice President of Human
Resources, American Cancer Society.

Lynn Coluccy, Vice President

Formerly Vice President/Director of Internal
Audit of the Manager.

O. Leonard Darling,
Executive Vice President

Formerly Co-Director of Fixed Income for State
Street Research & Management Co.

Robert A. Densen,
Senior Vice President

None.

Robert Doll, Jr.,
Executive Vice President

Vice President and Portfolio Manager of
Oppenheimer Growth Fund, Oppenheimer Variable
Account Funds, Oppenheimer Main Street Funds,
Inc. and Oppenheimer Target Fund; Senior Vice
President and Portfolio Manager of Oppenheimer
Strategic Income & Growth Fund.

John Doney, Vice President

Vice President and Portfolio Manager of
Oppenheimer Equity Income Fund.

Andrew J. Donohue,
Executive Vice President
& General Counsel

Secretary of the New York-based Oppenheimer
Funds; Vice President of the Denver-based
Oppenheimer Funds; Executive Vice President,
Director and General Counsel of the
Distributor; formerly Senior Vice President and
Associate General Counsel of the Manager and
the Distributor.

Kenneth C. Eich,
Executive Vice President/
Chief Financial Officer

Treasurer of Oppenheimer Acquisition
Corporation

George Evans, Vice President	Vice President and Portfolio Manager of Oppenheimer Variable Account Funds and Oppenheimer Global Securities Fund.
Scott Farrar, Assistant Vice President	Assistant Treasurer of the Oppenheimer Funds; previously a Fund Controller for the Manager.
Ronald H. Fielding Senior Vice President	Vice President and Portfolio Manager of Rochester Fund Municipals and Limited Term New York Municipal Fund

C-7

Name & Current Position with OppenheimerFunds, Inc. -----	Other Business and Connections During the Past Two Years -----
Katherine P. Feld Vice President and Secretary	Vice President and Secretary of Oppenheimer Funds Distributor, Inc.; Secretary of HarbourView, Main Street Advisers, Inc. and Centennial; Secretary, Vice President and Director of Centennial Capital Corp.
Jon S. Fossel, Chairman of the Board and Director	President and director of Oppenheimer Acquisition Corp. ("OAC"), the Manager's parent holding company; President, CEO and a director of HarbourView; a director of SSI and SFSI; President, Director, Trustee, and Managing General Partner of the Denver-based Oppenheimer Funds; President and Chairman of the Board of Main Street Advisers, Inc.; formerly Chief Executive Officer of the Manager.
Robert G. Galli, Vice Chairman	Trustee of the New York-based Oppenheimer Funds; Vice President and Counsel of OAC; formerly he held the following positions: a director of the Distributor, Vice President and a director of HarbourView and Centennial, a director of SFSI and SSI, an officer of other Oppenheimer Funds and Executive Vice President & General Counsel of the Manager and the Distributor.
Linda Gardner, Assistant Vice President	None.
Ginger Gonzalez, Vice President	Formerly 1st Vice President/Director of Creative Services for Shearson Lehman Brothers.
Mildred Gottlieb Assistant Vice President	Formerly served as a Strategy Consultant for the Private Client Division of Merrill Lynch.
Dorothy Grunwager, Assistant Vice President	None.
Caryn Halbrecht, Vice President	Vice President and Portfolio Manager of Oppenheimer Insured Tax-Exempt Fund and Oppenheimer Intermediate Tax Exempt Fund; an officer of other Oppenheimer Funds; formerly Vice President of Fixed Income Portfolio Management at Bankers Trust.
Barbara Hennigar, President and Chief Executive Officer of Oppenheimer Shareholder Services, a division of OMC.	President and Director of Shareholder Financial Service, Inc.
Alan Hoden, Vice President	None.

C-8

Name & Current Position with OppenheimerFunds, Inc.	Other Business and Connections During the Past Two Years
--	---

Merryl Hoffman, Vice President	None.
Scott T. Huebl, Assistant Vice President	None.
Jane Ingalls, Assistant Vice President	Formerly a Senior Associate with Robinson, Lake/Sawyer Miller.
Bennett Inkeles, Assistant Vice President	Formerly employed by Doremus & Company, an advertising agency.
Frank Jennings Vice President	Portfolio Manager of Oppenheimer Global Growth & Income Fund. Formerly a Managing Director of Global Equities at Paine Webber's Mitchell Hutchins division.
Stephen Jobe, Vice President	None.
Heidi Kagan, Assistant Vice President	None.
Avram Kornberg, Vice President	Formerly a Vice President with Bankers Trust.
Paul LaRocco, Assistant Vice President	Portfolio Manager of Oppenheimer Capital Appreciation Fund and Oppenheimer Variable Account Funds; Associate Portfolio Manager of Oppenheimer Discovery Fund. Formerly a Securities Analyst for Columbus Circle Investors.
Mitchell J. Lindauer, Vice President	None.
Loretta McCarthy, Senior Vice President	None.
Bridget Macaskill, President, Chief Executive Officer and Director	Director and Trustee of the New York based Oppenheimer Funds; Vice President and a Director of OAC; Director of HarbourView; Director of Main Street Advisers, Inc.; and Chairman of Shareholder Services, Inc.
Sally Marzouk, Vice President	None.

C-9

Name & Current Position with OppenheimerFunds, Inc. -----	Other Business and Connections During the Past Two Years -----
Marilyn Miller, Vice President	Formerly a Director of marketing for TransAmerica Fund Management Company.
Denis R. Molleur, Vice President	None.
Kenneth Nadler, Vice President	None.
David Negri, Vice President	Vice President and Portfolio Manager of Oppenheimer Strategic Bond Fund, Oppenheimer Multiple Strategies Fund, Oppenheimer Asset Allocation Fund, Oppenheimer Strategic Income Fund, Oppenheimer Strategic Income & Growth Fund, Oppenheimer High Income Fund, Oppenheimer Variable Account Funds and Oppenheimer Bond Fund; an officer of other Oppenheimer Funds.
Barbara Niederbrach, Assistant Vice President	None.
Stuart Novek, Vice President	Formerly a Director Account Supervisor for J. Walter Thompson.
Robert A. Nowaczyk,	None.

Vice President

Robert E. Patterson,
Senior Vice President

Vice President and Portfolio Manager of Oppenheimer Main Street California Tax-Exempt Fund, Oppenheimer Insured Tax-Exempt Fund, Oppenheimer Intermediate Tax-Exempt Fund, Oppenheimer Florida Tax-Exempt Fund, Oppenheimer New Jersey Tax-Exempt Fund, Oppenheimer Pennsylvania Tax-Exempt Fund, Oppenheimer California Tax-Exempt Fund, Oppenheimer New York Tax-Exempt Fund and Oppenheimer Tax-Free Bond Fund; Vice President of the New York Tax-Exempt Income Fund, Inc.; Vice President of Oppenheimer Multi-Sector Income Trust.

Tilghman G. Pitts III,
Executive Vice President
and Director

Chairman and Director of the Distributor.

Jane Putnam,
Assistant Vice President

Associate Portfolio Manager of Oppenheimer Growth Fund and Oppenheimer Target Fund. Vice President and Portfolio Manager for Oppenheimer Variable Account Funds. Formerly Fund; Senior Investment Officer and Portfolio Manager with Chemical Bank.

Russell Read,
Vice President

Formerly an International Finance Consultant for Dow Chemical.

C-10

Name & Current Position
with OppenheimerFunds, Inc.

Other Business and Connections
During the Past Two Years

Thomas Reedy,
Vice President

Vice President of Oppenheimer Multi-Sector Income Trust and Oppenheimer Multi-Government Trust; an officer of other Oppenheimer Funds; formerly a Securities Analyst for the Manager.

David Robertson,
Vice President

None.

Adam Rochlin,
Assistant Vice President

Formerly a Product Manager for Metropolitan Life Insurance Company.

Michael S. Rosen
Vice President

Vice President and Portfolio Manager of the Registrant

David Rosenberg,
Vice President

Vice President and Portfolio Manager of Oppenheimer Limited-Term Government Fund and Oppenheimer U.S. Government Trust. Formerly Vice President and Senior Portfolio Manager for Delaware Investment Advisors.

Richard H. Rubinstein,
Vice President

Vice President and Portfolio Manager of Oppenheimer Asset Allocation Fund, Oppenheimer Fund and Oppenheimer Multiple Strategies Fund; an officer of other Oppenheimer Funds; formerly Vice President and Portfolio Manager/Security Analyst for Oppenheimer Capital Corp., an investment adviser.

Lawrence Rudnick,
Assistant Vice President

Formerly Vice President of Dollar Dry Dock Bank.

James Ruff,
Executive Vice President

None.

Ellen Schoenfeld,
Assistant Vice President

None.

Diane Sobin,
Vice President

Vice President and Portfolio Manager of Oppenheimer Total Return Fund, Inc., Oppenheimer Main Street Funds, Inc. and Oppenheimer Variable Account Funds; formerly a Vice President and Senior Portfolio Manager for Dean Witter InterCapital, Inc.

Nancy Sperte,
Senior Vice President

None.

Donald W. Spiro,
Chairman Emeritus
and Director

President and Trustee of the New York-based
Oppenheimer Funds; formerly Chairman of the
Manager and the Distributor.

C-11

Name & Current Position
with OppenheimerFunds, Inc.

Other Business and Connections
During the Past Two Years

Arthur Steinmetz,
Senior Vice President

Vice President and Portfolio Manager of
Oppenheimer Strategic Income Fund, Oppenheimer
Strategic Income & Growth Fund; an officer of
other Oppenheimer Funds.

Ralph Stellmacher,
Senior Vice President

Vice President and Portfolio Manager of
Oppenheimer Champion Income Fund and
Oppenheimer High Yield Fund; an officer of
other Oppenheimer Funds.

John Stoma, Vice President

Formerly Vice President of Pension Marketing
with Manulife Financial.

James C. Swain,
Vice Chairman of the
Board of Directors
and Director

Chairman, CEO and Trustee, Director or
Managing Partner of the Denver-based
Oppenheimer Funds; President and a Director
of Centennial; formerly President and Director
of OAMC, and Chairman of the Board of SSI.

James Tobin, Vice President

None.

Jay Tracey, Vice President

Vice President of the Manager; Vice President
and Portfolio Manager of Oppenheimer Discovery
Fund. Formerly Managing Director of Buckingham
Capital Management.

Gary Tyc, Vice President,
Assistant Secretary
and Assistant Treasurer

Assistant Treasurer of the Distributor and
SFSI.

Jeffrey Van Giesen
Vice President

Formerly employed by Kidder Peabody Asset
Management.

Ashwin Vasani,
Vice President

Vice President and Portfolio Manager of
Oppenheimer Multi-Sector Income Trust,
Oppenheimer Multi-Government Trust and
Oppenheimer International Bond Fund; an officer
of other Oppenheimer Funds.

Valerie Victorson,
Vice President

None.

Dorothy Warmack,
Vice President

Vice President and Portfolio Manager of Daily
Cash Accumulation Fund, Inc., Oppenheimer Cash
Reserves, Centennial America Fund, L.P.,
Centennial Government Trust and Centennial
Money Market Trust; Vice President of
Centennial.

Christine Wells,
Vice President

None.

C-12

Name & Current Position
with OppenheimerFunds, Inc.

Other Business and Connections
During the Past Two Years

William L. Wilby,
Senior Vice President

Vice President and Portfolio Manager of
Oppenheimer Global Fund and Oppenheimer Global
Growth & Income Fund; Vice President of
HarbourView; an officer of other Oppenheimer
Funds.

Susan Wilson-Perez,
Vice President

None.

<p>Carol Wolf, Vice President</p>	<p>Vice President and Portfolio Manager of Oppenheimer Money Market Fund, Inc., Centennial America Fund, L.P., Centennial Government Trust, Centennial Money Market Trust and Daily Cash Accumulation Fund, Inc.; Vice President of Oppenheimer Multi-Sector Income Trust; Vice President of Centennial.</p>
<p>Robert G. Zack, Senior Vice President and Assistant Secretary</p>	<p>Associate General Counsel of the Manager; Assistant Secretary of the Oppenheimer Funds; Assistant Secretary of SSI, SFSI; an officer of other Oppenheimer Funds.</p>
<p>Eva A. Zeff, Assistant Vice President</p>	<p>An officer of certain Oppenheimer Funds; Assistant Vice President formerly a Securities Analyst for the Manager.</p>
<p>Arthur J. Zimmer, Vice President</p>	<p>Vice President and Portfolio Manager of Centennial America Fund, L.P., Oppenheimer Money Fund, Centennial Government Trust, Centennial Money Market Trust and Daily Cash Accumulation Fund, Inc.; Vice President of Oppenheimer Multi-Sector Income Trust; Vice President of Centennial; an officer of other Oppenheimer Funds.</p>

The Oppenheimer Funds include the New York-based Oppenheimer Funds, and the Denver-based Oppenheimer Funds and the Rochester-based Oppenheimer Funds set forth below:

New York-based Oppenheimer Funds

 Oppenheimer Asset Allocation Fund
 Oppenheimer Bond Fund For Growth
 Oppenheimer California Tax-Exempt Fund
 Oppenheimer Discovery Fund
 Oppenheimer Global Emerging Growth Fund
 Oppenheimer Global Fund
 Oppenheimer Global Growth & Income Fund
 Oppenheimer Gold & Special Minerals Fund
 Oppenheimer Growth Fund
 Oppenheimer Money Market Fund, Inc.
 Oppenheimer Multi-Government Trust
 Oppenheimer Multi-Sector Income Trust

C-13

Oppenheimer Multi-State Tax-Exempt Trust
 Oppenheimer New York Tax-Exempt Fund
 Oppenheimer Fund
 Oppenheimer Target Fund
 Oppenheimer Tax-Free Bond Fund
 Oppenheimer U.S. Government Trust

Denver-based Oppenheimer Funds

 Oppenheimer Cash Reserves
 Centennial America Fund, L.P.
 Centennial California Tax Exempt Trust
 Centennial Government Trust
 Centennial Money Market Trust
 Centennial New York Tax Exempt Trust
 Centennial Tax Exempt Trust
 Daily Cash Accumulation Fund, Inc.
 The New York Tax-Exempt Income Fund, Inc.
 Oppenheimer Champion Income Fund
 Oppenheimer Equity Income Fund
 Oppenheimer High Yield Fund
 Oppenheimer Integrity Funds
 Oppenheimer International Bond Fund
 Oppenheimer Limited-Term Government Fund
 Oppenheimer Main Street Funds, Inc.
 Oppenheimer Strategic Funds Trust
 Oppenheimer Strategic Income & Growth Fund
 Oppenheimer Tax-Exempt Fund
 Oppenheimer Total Return Fund, Inc.
 Oppenheimer Variable Account Funds

Rochester-based Oppenheimer Funds

(b) The address of OppenheimerFunds, Inc. the New York-based Oppenheimer Funds, Oppenheimer Funds Distributor, Inc., Harbourview Asset Management Corp., Oppenheimer Partnership Holdings, Inc., and Oppenheimer Acquisition Corp. is Two World Trade Center, New York, New York 10048-0203.

The address of the Denver-based Oppenheimer Funds, Shareholder Financial Services, Inc., Shareholder Services, Inc., Oppenheimer Shareholder Services, Centennial Asset Management Corporation, Centennial Capital Corp., and Main Street Advisers, Inc. is 3410 South Galena Street, Denver, Colorado 80231.

The address of the Rochester-based Oppenheimer Funds is 350 Linden Oaks, Rochester, New York 14625.

ITEM 29. PRINCIPAL UNDERWRITERS

(a) OppenheimerFunds Distributor, Inc. is the Distributor of Registrant's shares. It is also the Distributor of each of the other registered open-end investment companies for which OppenheimerFunds, Inc. is the investment adviser, as described in Part A and B of this Registration Statement and listed in Item 28(b) above.

(b) The directors and officers of the Registrant's principal underwriter are:

C-14

Name & Principal Business Address -----	Positions & Offices with Underwriter -----	Positions and Offices with Registrant -----
George Clarence Bowen+	Vice President & Treasurer	Treasurer
Christopher Blunt 6 Baker Avenue Westport, CT 06880	Vice President	None
Julie Bowers 21 Dreamwold Road Scituate, MA 02066	Vice President	None
Peter W. Brennan 1940 Cotswold Drive Orlando, FL 32825	Vice President	None
Mary Ann Bruce*	Senior Vice President - Financial Institution Div.	None
Robert Coli 12 Whitetail Lane Bedminster, NJ 07921	Vice President	None
Ronald T. Collins 710-3 E. Ponce DeLeon Ave. Decatur, GA 30030	Vice President	None
Mary Crooks+	Vice President	None
Paul Delli Bovi 750 West Broadway Apt. 5M Long Beach, NY 11561	Vice President	None
Andrew John Donohue*	Executive Vice President & Director	Secretary
Wendy H. Ehrlich 4 Craig Street Jericho, NY 11753	Vice President	None
Kent Elwell 41 Craig Place Cranford, NJ 07016	Vice President	None

C-15

Name & Principal Business Address -----	Positions & Offices with Underwriter -----	Positions and Offices with Registrant -----
John Ewalt 2301 Overview Dr. NE Tacoma, WA 98422	Vice President	None
Katherine P. Feld*	Vice President & Secretary	None
Mark Ferro 43 Market Street Breezy Point, NY 11697	Vice President	None
Wendy Fishler*	Vice President - Financial Institution Div.	None
Wayne Flanagan 36 West Hill Road Brookline, NH 03033	Vice President - Financial Institution Div.	None
Ronald R. Foster 11339 Avanti Lane Cincinnati, OH 45249	Senior Vice President - Eastern Division Manager	None
Patricia Gadecki 6026 First Ave. South, Apt. 10 St. Petersburg, FL 33707	Vice President	None
Luigginio Galleto 10239 Rougemont Lane Charlotte, NC 28277	Vice President	None
Mark Giles 5506 Bryn Mawr Dallas, TX 75209	Vice President - Financial Institution Div.	None
Ralph Grant*	Vice President/National Sales Manager - Financial Institution Div.	None
Sharon Hamilton 720 N. Juanita Ave. - #1 Redondo Beach, CA 90277	Vice President	None
Carla Jiminez 609 Chimney Bluff Drive Mt. Pleasant, SC 29464	Vice President	None
Michael Keogh*	Vice President	None

C-16

Name & Principal Business Address -----	Positions & Offices with Underwriter -----	Positions and Offices with Registrant -----
Richard Klein 4011 Queen Avenue South Minneapolis, MN 55410	Vice President	None
Hans Klehmet II 26542 Love Lane Ramona, CA 92065	Vice President	None
Ilene Kutno*	Assistant Vice President	None
Wayne A. LeBlang 23 Fox Trail Lincolnshire, IL 60069	Senior Vice President - Director Eastern Div.	None
Dawn Lind 7 Maize Court Melville, NY 11747	Vice President - Financial Institution Div.	None

James Loehle 30 John Street Cranford, NJ 07016	Vice President	None
Laura Mulhall*	Senior Vice President - Director of Key Accounts	None
Charles Murray 50 Deerwood Drive Littleton, CO 80127	Vice President	None
Joseph Norton 1550 Bryant Street San Francisco, CA 94103	Vice President	None
Patrick Palmer 958 Blue Mountain Cr. West Lake Village, CA 91362	Vice President	None
Randall Payne 1307 Wandering Way Dr. Charlotte, NC 28226	Vice President - Financial Institution Div.	None
Gayle Pereira 2707 Via Arboleda San Clemente, CA 92672	Vice President	None
Charles K. Pettit 22 Fall Meadow Dr. Pittsford, NY 14534	Vice President	None

C-17

Name & Principal Business Address -----	Positions & Offices with Underwriter -----	Positions and Offices with Registrant -----
Bill Presutti 664 Circuit Road Portsmouth, NH 03801	Vice President	None
Tilghman G. Pitts, III*	Chairman & Director	None
Elaine Puleo*	Vice President - Financial Institution Div.	None
Minnie Ra 109 Peach Street Avenel, NJ 07001	Vice President - Financial Institution Div.	None
Ian Robertson 4204 Summit Wa Marietta, GA 30066	Vice President	None
Robert Romano 1512 Fallingbrook Drive Fishers, IN 46038	Vice President	None
James Ruff*	President	None
Timothy Schoeffler 3118 N. Military Road Arlington, VA 22207	Vice President	None
Mark Schon 10483 E. Corrine Dr. Scottsdale, AZ 85259	Vice President	None
Michael Sciortino 785 Beau Chene Dr. Mandeville, LA 70448	Vice President	None
James A. Shaw 5155 West Fair Place Littleton, CO 80123	Vice President - Financial Institution Div.	None
Robert Shore 26 Baroness Lane	Vice President - Financial Institution Div.	None

Peggy Spilker 2017 N. Cleveland, #2 Chicago, IL 60614	Vice President - Financial Institution Div.	None
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C-18

Name & Principal Business Address -----	Positions & Offices with Underwriter -----	Positions and Offices with Registrant -----
Michael Stenger C/O America Building 30 East Central Pkwy Suite 1008 Cincinnati, OH 45202	Vice President	None
George Sweeney 1855 O'Hara Lane Middletown, PA 17057	Vice President	None
Scott McGregor Tatum 7123 Cornelia Lane Dallas, TX 75214	Vice President	None
Dave Thomas 111 South Joliet Circle #304 Aurora, CO 80112	Vice President - Financial Institution Div.	None
Philip St. John Trimble 2213 West Homer Chicago, IL 60647	Vice President	None
Gary Paul Tyc+	Assistant Treasurer	None
Mark Stephen Vandehey+	Vice President	None
Gregory K. Wilson 2 Side Hill Road Westport, CT 06880	Vice President	None
Bernard J. Wolocko 33915 Grand River Farmington, MI 48335	Vice President	None
William Harvey Young+	Vice President	None

* Two World Trade Center, New York, NY 10048-0203
+ 3410 South Galena St., Denver, CO 80231

(c) Not applicable.

(c) Not applicable.

ITEM 30. LOCATION OF ACCOUNTS AND RECORDS

All accounts, books or other documents required to be maintained by Section 31(a) of the Investment Company Act and the General Rules and Regulations promulgated thereunder, are in possession of OppenheimerFunds, Inc. at its offices at 3410 South Galena Street, Denver, Colorado 80231, except that records with

C-19

regard to items covered by Registrant's Custodian Agreement, are maintained by, or under agreement with, its Custodian, Investors Bank & Trust Company, 89 South Street, Boston, MA 02111.

ITEM 31. MANAGEMENT SERVICES

There are no management-related service contracts not discussed in Parts A and B of this Form under which services are provided to the Registrant and, therefore, this Item 31 is not applicable.

ITEM 32. UNDERTAKINGS

- (a) Not applicable.
- (b) Not applicable.
- (c) The Registrant hereby undertakes to furnish each person to whom a Prospectus is delivered with a copy of the Registrant's latest annual report to shareholders, upon request and without charge.

C-20

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and/or the Investment Company Act of 1940, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York and State of New York on the 10th day of January, 1996.

ROCHESTER FUND SERIES

By: /s/ BRIDGET A. MACASKILL

Bridget A. Macaskill, Chairman
of the Board and President

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

Signatures -----	Title -----	Date ----
/s/ BRIDGET A. MACASKILL ----- Bridget A. Macaskill	Chairman of the Board, President (Principal Executive Officer) and Trustee	January 10, 1996
/s/ GEORGE C. BOWEN ----- George C. Bowen	Treasurer (Principal Financial and Accounting Officer)	January 10, 1996
/s/ JOHN CANNON ----- John Cannon	Trustee	January 10, 1996
/s/ PAUL Y. CLINTON ----- Paul Y. Clinton	Trustee	January 10, 1996
/s/ THOMAS W. COURTNEY ----- Thomas W. Courtney	Trustee	January 10, 1996
/s/ LACY B. HERRMANN ----- Lacy B. Herrmann	Trustee	January 10, 1996
/s/ GEORGE LOFT ----- George Loft	Trustee	January 10, 1996

EXHIBIT 1

ROCHESTER FUND SERIES

AMENDED AND RESTATED AGREEMENT AND DECLARATION OF TRUST

TABLE OF CONTENTS

	Page
ARTICLE 1	
Name and Definitions.....	1
Section 1.1: Name.....	1
Section 1.2: Definitions.....	1
Section 1.3: Resident Agent.....	2
Section 1.4: Principal Place of Business.....	2
ARTICLE 2	
Purpose of the Trust.....	2
Section 2.1	2
Section 2.2	3
Section 2.3	3
Section 2.4	3
Section 2.5	3
Section 2.6	3
Section 2.7	3
ARTICLE 3	
The Trustees.....	4
Section 3.1: Number, Designation, Election, Term, etc.	4
Section 3.2: Power of Trustees.....	5
Section 3.3: Certain Contracts.....	7
Section 3.4: Payment of Trust Expenses and Compensation of Trustees.....	9
Section 3.5 Assets and Liabilities of the Trust.....	9
ARTICLE 4	
Shares.....	10
Section 4.1: Description of Shares	10
Section 4.2: Establishment and Designation of Classes of Shares.....	11
Section 4.3: Establishment and Designation of Series.....	11
Section 4.4: Ownership of Shares.....	15
Section 4.5: Investments in the Trust.....	15
Section 4.6: No Preemptive Rights.....	15

Section 4.7: Status of Shares and Limitation
of Personal Liability..... 15

ARTICLE 5

Shareholders' Voting Powers and Meetings..... 16
 Section 5.1: Voting Powers..... 16
 Section 5.2: Meetings..... 16
 Section 5.3: Record Dates..... 17
 Section 5.4: Quorum and Required Vote..... 17
 Section 5.5: Action by Written Consent..... 17
 Section 5.6: Inspection of Record..... 17
 Section 5.7: Additional Provisions..... 17
 Section 5.8: Shareholder Communications..... 17

ARTICLE 6

Limitation of Liability, Indemnification..... 18
 Section 6.1: Trustees, Shareholders, etc.
 Not Personally Liable; Notice..... 18
 Section 6.2: Trustee's Good Faith Action;
 Expert Advice; No Bond or Surety..... 19
 Section 6.3: Indemnification of Shareholders..... 19
 Section 6.4: Indemnification of Trustees, Officers, etc..... 19
 Section 6.5: Compromise Payment..... 20
 Section 6.6: Indemnification Not Exclusive, etc. 20
 Section 6.7: Liability of Third Persons
 Dealing with Trustees..... 20

ARTICLE 7

Miscellaneous..... 21
 Section 7.1: Duration and Termination of Trust..... 21
 Section 7.2: Reorganization..... 21
 Section 7.3: Amendments..... 22
 Section 7.4: Filing of Copies; References; Headings..... 22
 Section 7.5: Applicable Law..... 23

AMENDED AND RESTATED AGREEMENT AND DECLARATION OF TRUST

OF

ROCHESTER FUND SERIES

This AMENDED AND RESTATED AGREEMENT AND DECLARATION OF TRUST made this 26th

day of January, 1995, by and among the individuals executing this Amended and Restated Declaration of Trust as the Trustees.

WHEREAS, the Trustees established Rochester Fund Series (the "Trust"), a business trust currently with one series, The Bond Fund for Growth (the "Fund"), under the laws of the Commonwealth of Massachusetts, for the investment and reinvestment of funds contributed thereto, under an Agreement and Declaration of Trust (the "Declaration of Trust") dated January 10, 1986 and filed with the Commonwealth of Massachusetts on January 21, 1986, as amended pursuant to Amendments dated March 31, 1986, December 29, 1989, January 25, 1990, and April 23, 1993:

WHEREAS, The Trustees desire to make permitted changes to said Declaration of Trust; and

WHEREAS, such changes have been approved by the Trustees by a unanimous consent;

NOW, THEREFORE, the Trustees declare that all money and property contributed to the Trust hereunder shall henceforth be held and managed under this Amended and Restated Declaration of Trust IN TRUST as herein set forth below.

ARTICLE 1

NAME AND DEFINITIONS

Section 1.1 Name. This Trust shall be known as Rochester Fund Series and the Trustees shall conduct the business of the Trust under that name or any other name or names as they may from time to time determine.

Section 1.2 Definitions. Whenever used herein, unless otherwise required by the context or specifically provided:

(a) The "Trust" refers to the Massachusetts business trust established by this Amended and Restated Agreement and Declaration of Trust, as amended from time to time, inclusive of each and every Series and Class established hereunder;

(b) "Trustees" refers to the Trustees of the Trust and of each Series hereunder named herein or elected in accordance with Article 3;

(c) "Shares" refers to the equal, proportionate, transferable units of interest into which the beneficial interest of the Trust and each Series or Class of the Trust (as the context may require) shall be divided from time to time and includes fractions of Shares as well as whole Shares consistent with the requirements of federal and/or state securities laws;

(d) "Series" refers to Series of Shares established and designated under or in accordance with the provisions of Article 4;

(e) "Class" means a class of a series of shares established and designated under or in accordance with the provisions of Article 4;

(f) "Shareholder" means a record owner of Shares;

(g) The "1940 Act" refers to the Investment Company Act of 1940 and the Rules and Regulations thereunder, all as amended from time to time;

(h) The term "Commission" shall have the meaning given it in the 1940 Act;

(i) "Declaration of Trust" shall mean this Amended and Restated Agreement and Declaration of Trust as amended or restated from time to time; and

(j) "By-Laws" shall mean the By-Laws of the Trust as amended from time to time.

Section 1.3 Resident Agent. The name and address of the Trust's Resident Agent is CT Corporation, 2 Oliver Street, Boston, Massachusetts 02109.

Section 1.4 Principal Place of Business. The Trust's principal place of business is 350 Linden Oaks, Rochester, New York 14625. The Trust is in compliance with and will continue to comply with Massachusetts' law.

ARTICLE 2

PURPOSE OF TRUST

The purpose or purposes for which the Trust is formed and the business or objects to be transacted, carried on and prompted by it are as follows:

Section 2.1 To hold, invest, or reinvest its funds, and in connection therewith to hold part or all of its funds in cash, and to purchase or otherwise acquire, hold for investment or otherwise, sell, sell short, assign, negotiate, transfer, exchange or otherwise dispose of or turn to account or realize upon, securities (which term "securities" shall for the purpose of this Declaration of Trust, without limitation of the generality thereof, be deemed to include any stocks, shares, bonds, financial futures contracts, indexes, debentures, notes, mortgages or other obligations, and any certificates, receipts, warrants or other instruments representing rights to receive, purchase or subscribe for the same, or evidencing or representing any other rights or interests therein, or in any property or assets) created or issued by an issuer (which term "issuer" shall for the purpose of this Declaration of Trust, without limitation of the generality thereof be deemed to any include any persons, firms, associations, corporations, syndicates, business trusts, partnerships, investment companies, combinations, organizations, governments, or subdivisions thereof) and in financial instruments (whether they are considered as securities or commodities); and to exercise, as owner or holder of any and all acts and things

for the preservation, protection, improvement and enhancement in value of any or all such securities or financial instruments.

2

Section 2.2 To borrow money and pledge assets in connection with any of the objects or purposes of the Trust, and to issue notes or other obligations evidencing such borrowings, to the extent permitted by the 1940 Act and by the Trust's fundamental investment policies under the 1940 Act.

Section 2.3 To issue and sell its Shares in such Series and Classes and amounts and on such terms and conditions, for such purposes and for such amount or kind of consideration (including without limitation thereto, securities) now or hereafter permitted by the laws of the Commonwealth of Massachusetts and by this Declaration of Trust, as the Trustees may determine.

Section 2.4 To purchase or otherwise acquire, hold, dispose of, resell, transfer, reissue or cancel its Shares, or to classify or reclassify any unissued Shares or any Shares previously issued and reacquired of any Series or Class into one or more Series or Classes that may have been established and designated from time to time, all without the vote or consent of the Shareholders of the Trust, in any manner and to the extent now or hereafter permitted by this Declaration of Trust.

Section 2.5 To conduct its business at one or more offices within the State of New York and elsewhere in any part of the world, without restriction or limit as to extent.

Section 2.6 To carry out all or any of the foregoing objects and purposes as principal or agent, and alone or with associates or to the extent now or hereafter permitted by the laws of Massachusetts, as a member of, or as the owner or holder of any stock of, or shares of interest in, any issuer, and in connection therewith or make or enter into such deeds or contracts with any issuers and to do such acts and things and to exercise such powers, as a natural person could lawfully make, enter into, do or exercise.

Section 2.7 To do any and all such further acts and things and to exercise any and all such further powers as may be necessary, incidental, relative, conducive, appropriate or desirable for the accomplishments, carrying out or attainment of all or any of the foregoing purposes or objects.

The foregoing objects and purposes shall, except as otherwise expressly provided, be in no way limited or restricted by reference to, or inference from, the terms of any other clause of this or any other Article of this Declaration of Trust, and shall each be regarded as independent and construed as powers as well as objects and purposes, and the enumeration of specific purposes, objects and powers shall not be construed to limit or restrict in any manner the meaning of general terms or the general powers of the Trust now or hereafter conferred

by the laws of the Commonwealth of Massachusetts nor shall the expression of one thing be deemed to exclude another, though it be of a similar or dissimilar nature, not expressed; provided, however, that the Trust shall not carry on any business, or exercise any powers, in any state, territory, district or country except to the extent that the same may lawfully be carried on or exercised under the laws thereof.

ARTICLE 3

THE TRUSTEES

Section 3.1 Number, Designation, Election, Term, etc.

(a) Number. The Trustees serving as such, in accordance with the provisions of this Declaration of Trust, may increase or decrease the number of Trustees to a number other than the number theretofore determined. No decrease in the number of Trustees shall have the effect of removing any Trustee from office prior to the expiration of his or her term, but the number of Trustees may be decreased in conjunction with the removal of a Trustee pursuant to subsection (d) of this Section 3.1.

(b) Election and Term. The Trustees shall be elected by Shareholders of the Trust. Each Trustee, whether named above or hereafter becoming a trustee, shall serve as a Trustee of the Trust and of each Series of the Trust hereunder during the lifetime of this Trust and until its termination as hereinafter provided except as such Trustee sooner dies, resigns or is removed. Subject to Section 16(a) of the 1940 Act, the Trustees may elect their own successors and may, pursuant to Section 3.1(e) hereof appoint Trustees to fill vacancies.

(c) Resignation and Retirement. Any Trustee may resign his trust or retire as Trustee, by written instrument signed by him and delivered to the other Trustees or to any officer of the Trust, and such resignation or retirement shall take effect upon such a delivery or upon such later date as is specified in such instrument and shall be effective as to the Trust and each Series of the Trust hereunder.

(d) Removal. Any Trustee may be removed with or without cause at any time: (i) by written instrument, signed by at least two-thirds of the number of Trustees prior to such removal, specifying the date upon which such removal shall become effective; or (ii) by vote of Shareholders holding not less than two-thirds of the Shares then outstanding, cast in person or by proxy at any meeting called for the purpose; or (iii) by a written declaration signed by Shareholders holding not less than two-thirds of the Shares then outstanding and filed with the Trust's Custodian. Any such removal shall be effective as to the Trust and each Series or Class hereunder.

(e) Vacancies. Any vacancy or anticipated vacancy resulting from any reason, including without limitation the death, resignation, retirement, removal, or incapacity of any of the Trustees, or resulting from an increase in the number of Trustees by the other Trustees may (but need not unless required by the 1940 Act) be filled either by a majority of the remaining Trustees, subject to the provisions of Section 16(a) of the 1940 Act, through the appointment in writing of such other person as such remaining Trustees in their discretion shall determine and such appointment shall be effective upon the written acceptance of the person named therein to serve as a Trustee and agreement by such person to be bound by the provisions of this Declaration of Trust, except that any such appointment in anticipation of a vacancy to occur by reason of retirement, resignation, or increase in number of Trustees to be effective at a later date shall become effective only at or after the effective date of said retirement, resignation, or increase in number of Trustees. As soon as any Trustee so appointed shall have accepted such appointment and shall have agreed in writing to be bound by this Declaration of Trust and the appointment is effective, the Trust estate shall vest in the new Trustee, together with the continuing Trustees, without any further act or conveyance.

4

(f) Effect of Death, Resignation, etc. The death, resignation, retirement, removal, or incapacity of the Trustees, or any one of them, shall not operate to annul or terminate the Trust or any Series hereunder or to revoke or terminate any existing agency or contract created or entered into pursuant to the terms of this Declaration of Trust.

(g) No Accounting. Except to the extent required by the 1940 Act or under circumstances which would justify his removal for cause, no person ceasing to be a Trustee as a result of his death, resignation, retirement, removal or incapacity (nor the estate of any such person) shall be required to make an accounting to the Shareholders or remaining Trustees upon such cessation.

Section 3.2 Power of Trustees. Subject to the provisions of this Declaration of Trust, the business of the Trust shall be managed by Trustees, and they shall have all powers necessary or convenient to carry out that responsibility and the purpose of the Trust.

Without limiting the foregoing and to the extent not inconsistent with the 1940 Act or other applicable law, the Trustees shall have power and authority for and on behalf of the Trust and each separate Series or Class established hereunder, and the Trustees may:

(a) adopt By-Laws not inconsistent with this Declaration of Trust providing for the conduct of the business and affairs of the Trust and may amend and repeal them to the extent that such By-Laws do not reserve that right to the Shareholders;

(b) from time to time in accordance with the provisions of Section 4.3 hereof establish Series, each Series to operate as a separate and distinct investment medium and with separately defined investment objectives and policies and distinct investment purposes and to allocate assets, liabilities and expenses of the Trust to a particular Series of Shares or to apportion the same among two or more Series, provided that any liability or expense incurred by a particular Series of Shares shall be payable solely out of the assets of that Series;

(c) as they consider appropriate elect and remove officers and appoint and terminate agents and consultants and hire and terminate employees, and one or more the foregoing of whom may be a Trustee, and may provide for the compensation of all of the foregoing;

(d) appoint from their own number, and terminate, any one or more committees consisting of two or more Trustees, including without implied limitation an executive committee, which may, when the Trustees are not in session and subject to the 1940 Act, exercise some or all of the power and authority of the Trustees as the Trustees may determine;

(e) in accordance with Section 3.3, employ one or more advisers, administrators, depositories and custodians and may authorize any depository or custodian to employ subcustodians or agents and to deposit all or any part of such assets in a system or systems for the central handling of securities and debt instruments;

(f) retain transfer, dividend, accounting or shareholder servicing agents or any of the foregoing, provide for the distribution of Shares by the Trust through one or more distributors, principal underwriters or otherwise;

5

(g) set record dates or times for the determination of Shareholders or various of them with respect to various matters;

(h) compensate or provide for the compensation of the Trustees, officers, advisers, administrators, custodians, other agents, consultants and employees of the Trust or the Trustees on such terms as they deem appropriate;

(i) in general, delegate to any officer of the Trust, to any committee of the Trustees and to any employee, adviser, administrator, distributor, depository, custodian, transfer and dividend disbursing agent, or any other agent or consultant of the Trust such authority, powers, functions and duties as they consider desirable or appropriate for the conduct of the business and affairs of the Trust, including without implied limitation, the power and authority to act in the name of the Trust and of the Trustees, to sign documents and to act as an attorney-in-fact for the Trustees.

(j) invest and reinvest cash or other property, and to hold cash or other property uninvested without in any event being bound or limited by any present or future law or custom in regard to investments by Trustees;

(k) sell, exchange, lend, pledge, mortgage, hypothecate, write options on and lease any or all of the assets of the Trust;

(l) vote or give assent, or exercise any rights of ownership, with respect to stock or other securities, debt instruments or property; and to execute and deliver proxies or powers of attorney to such person or persons as Trustees shall deem proper, granting to such person or persons such power and discretion with relation to securities, debt instruments or property as the Trustees shall deem proper;

(m) exercise powers and rights of subscription or otherwise which in any manner arise out of ownership of securities or debt instruments;

(n) hold any security, debt instrument or property in a form not indicating any trust, whether in bearer, unregistered or other negotiable form, or in the name of the Trustees or of the Trust or of any Series or Class or in the name of a custodian, subcustodian or other depository or a nominee or nominees or otherwise;

(o) consent to or participate in any plan for the reorganization, consolidation or merger of any corporation or issuer, any security or debt instrument of which is or was held in the Trust; to consent to any contract, lease, mortgage, purchase or sale of property by such corporation or issuer, and to pay calls or subscriptions with respect to any security or debt instrument held in the Trust;

(p) join with other holders of any securities or debt instruments in acting through a committee, depository, voting trustee or otherwise, and in that connection to deposit any security or debt instrument with, or transfer any security or debt instrument to, any such committee, depository or trustee, and to delegate to them such power and authority with relation to any security or debt instrument (whether or not so deposited or transferred) as the Trustees shall deem proper, and to agree to pay, and to pay, such portion of the expenses and compensation of such committee, depository or trustee as the Trustees shall deem proper;

6

(q) compromise, arbitrate or otherwise adjust claims in favor of or against the Trust or any Series or Class or any matter in controversy, including, but not limited to, claims for taxes;

(r) enter into joint ventures, general or limited partnerships and any other combinations or associations;

(s) borrow funds and to mortgage and pledge the assets of the Trust or any part thereof to secure obligations arising in connection with such borrowing;

(t) endorse or guarantee the payment of any notes or other obligations of any person; to make contracts of guaranty or suretyship, or otherwise assume liability for payment thereof; and to mortgage and pledge the Trust property or any part thereof to secure any or all of such obligations;

(u) purchase and pay for entirely out of Trust property such insurance as they may deem necessary or appropriate for the conduct of the business of the Trust, including, without limitation, insurance policies insuring the assets of the Trust and payment of distributions and principal on its portfolio investments, and insurance policies insuring the Shareholders, Trustees, officers, employees, agents, consultants, investment advisers, managers, administrators, distributors, principal underwriter, or independent contractors, or any thereof (or any person connected therewith), of the Trust individually against all claims and liabilities of every nature arising by reason of holding, being or having held any such office or position, or by reason of any action alleged to have been taken or omitted by any such person in any such capacity, including any action taken or omitted that may be determined to constitute negligence, whether or not the Trust would have the power to indemnify such person against such liability; and

Except as otherwise provided by the 1940 Act or other applicable law, this Declaration of Trust or the By-Laws, any action to be taken by the Trustees on behalf of the Trust or any Series or Class may be taken by a majority of the Trustees present at a meeting of Trustees (a quorum, consisting of at least a majority of the Trustees then in office, being present), within and without Massachusetts, including any meeting held by means of conference telephone or other communications equipment by means of which all persons participation in the meeting can hear such other at the same time and participation by such means shall constitute presence in person at a meeting, or by the unanimous written consent of the Trustees then in office.

Section 3.3 Certain Contracts. Subject to compliance with the provisions of the 1940 Act, but notwithstanding any limitations of present and future law or custom in regard to delegation of powers by trustees generally, the Trustees may, at any time and from time to time and without limiting the generality of their powers and authority otherwise set forth herein, enter into one or more contracts with any one or more corporations, trusts, associations, partnerships, limited partnerships, other type of organizations, or individuals ("Contracting Party"), to provide for the performance and assumption of some or all of the following services, duties and responsibilities to, for or on behalf of the Trust and/or any Sub-Trust, and/or the Trustees, and to provide for the performance and assumption of such other services, duties and responsibilities in addition to those set forth below as the Trustees may determine appropriate:

(a) Advisory. Subject to the general supervision of the Trustees and in conformity with the stated policy of the Trustees with respect to the investments of the Trust or of the assets belonging to any Series of the Trust (as that phrase is defined in subsection (a) of Section 4.3), to manage such investments and assets, make investment decisions with respect thereto, and to place purchase and sale orders for portfolio transactions relating to such investments and assets;

(b) Administration. Subject to the general supervision of the Trustees and in conformity with any policies of the Trustees with respect to the operations of the Trust and each Series or Class, to supervise all or any part of the operations of the Trust and each Series or Class, and to provide all or any part of the administrative and clerical personnel, office space and office equipment and service appropriate for the efficient administration and operations of the Trust and each Series or Class;

(c) Distribution. To distribute the Shares of the Trust and each Series or Class, to the principal underwriter of such Shares, and/or to act as agent of the Trust and each Series or Class in the sale of Shares and the acceptance or rejection of orders for the purchase of Shares;

(d) Custodian and Depository. To act as depository for and to maintain custody of the property of the Trust and each Series or Class and accounting records in connection therewith;

(e) Transfer and Dividend Disbursing Agency. To maintain records of the ownership of outstanding Shares, the issuance and redemption and the transfer thereof, and to disburse any dividends declared by the Trustees and in accordance with the policies of the Trustees and/or the instructions of any particular Shareholder to reinvest any such dividends;

(f) Shareholder Servicing. To provide service with respect to the relationship of the Trust and its Shareholders, records with respect to Shareholders and their Shares, and similar matters; and

(g) Accounting. To handle all or any part of the accounting responsibilities, whether with respect to the Trust's properties, Shareholders or otherwise.

The same person may be the Contracting Party for some or all of the services, duties and responsibilities to, for and of the Trust and/or the Trustees, and the contracts with respect thereto may contain such terms interpretive of or in addition to the delineation of the services, duties and responsibilities provided for, including provisions that are not inconsistent with the 1940 Act relating to the standard of duty of and the rights to indemnification of the Contracting Party and others, as the Trustees may determine. Nothing herein shall preclude, prevent or limit the Trust or a Contracting Party from entering into sub-contractual arrangements relative to any of the matters referred to in Sections 3.3(a) through (g) hereof.

The fact that:

(i) any of the Shareholders, Trustees or officers of the Trust is a shareholder, director, officer, partner, trustee, employee, manager, advisor, principal underwriter or distributor or agent of or for any Contracting Party, or of or for any parent or affiliate of any Contraction Party or that the Contracting Party or any parent or affiliate thereof is a Shareholder or has an interest in the Trust or any Sub-Trust, or that

8

(ii) any Contracting Party may have a contract providing for the rendering of any similar services to one or more other corporations, trusts, associations, partnerships, limited partnerships or other organizations, or have other business or interests, shall not affect the validity of any contract for the performance and assumption of services, duties and responsibilities to, for or of the Trust or any Series and/or the Trustees or disqualify any Shareholder, Trustee or officer of the Trust from voting upon or executing the same or create any liability or accountability to the Trust, any Series or its Shareholders, provided that in the case of any relationship or interest referred to in the preceding clause (i) on the part of any Trustee or officer of the Trust either (A) the material facts as known to such relationship or interest have been disclosed to or are known by the Trustees not having any such relationship or interest and the contract involved is approved in good faith by a majority of such Trustees not having any such relationship or interest (even though such unrelated or disinterested Trustees are less than a quorum of all of the Trustees, or (B) the material facts as to such relationship or interest and as to the contract have been disclosed to or are known by the Shareholders, and (C) the specific contract involved is fair to the Trust as of the time it is authorized, approve or ratified by the Trustees or by the Shareholders.

Section 3.4. Payment of Trust Expenses and Compensation of Trustees. The Trustees are authorized to pay or to cause to be paid out of the principal or income of the Trust or any Series or Class, or partly out of principal and partly out income, and to charge or allocate the same to, between or among such one or more of the Series or Class that may be established and designated pursuant to Article 4, as the Trustees deem fair, all expenses, fees, charges, taxes and liabilities incurred or arising in connection with the Trust or any Series or Class, or in connection with the management thereof, including, but not limited to, the Trustees' compensation and such expenses and charges for the services of the Trust's officers, employees, investment adviser, administrator, distributor, principal underwriter, auditor, counsel, depository, custodian, transfer agent, dividend disbursing agent, accounting agent, Shareholder servicing agent, and such other agents, consultants, and independent contractors and such other expenses and charges as the Trustees may deem necessary or proper to incur. Without limiting the generality of any other provision hereof, the Trustees shall be entitled to reasonable compensation from the Trust for their services as Trustees and may fix the amount of such compensation.

Section 3.5 Assets and Liabilities of the Trust. The assets of the Trust shall be held separate and apart from any assets now or hereafter held in any capacity other than as Trustee hereunder by the Trustees or any successor Trustees. All of the assets of the Trust shall at all times be considered as vested in the Trustees. No Shareholder shall be deemed to have a severable ownership in any individual asset of the Trust or any right of partition or possession thereof, but each Shareholder of a Series or Class of Shares of the Trust shall have a proportionate undivided beneficial interest in the assets belonging to the Series of Class of Shares of the Trust held by the Shareholders of such Series or Class of Shares in the Trust.

All consideration received by the Trust for the issue or sale of Shares of a particular Series or Class, together with all assets in which such consideration is invested or reinvested, all income, earnings, profits, and proceeds thereof, including any proceeds derived from the sale, exchange or liquidation of such assets, and any funds or payments derived from any reinvestment of such proceeds in whatever form the same may be, shall be referred to as "assets belonging to" that Series or Class and shall be held by the Trustees in Trust for the benefit of the Shareholders of that Series or Class. The assets belonging to each particular Series or Class shall be charged with the liabilities of that Series or Class and all

9

expenses, costs, charges and reserves attributable to that Series or Class. In addition, any assets, income, earnings, profits, and proceeds thereof, funds, or payments or any general liabilities, expenses, costs, charges or reserves of the Trust which are not readily identifiable as belonging to or chargeable to any particular Series shall be allocated by the Trustees between and among one or more of the Series in such a manner as they, in their sole discretion, deem fair and equitable. Each such allocation shall be conclusive and binding upon the Shareholders of all Series for all purposes, and shall be referred to as assets belonging to that Series. Any creditor of any Series may look only to the assets of that Series to satisfy such creditor's debt. Certain expenses also may be allocated to a particular Class of Shares. All such Class expenses will be charged directly to the net assets of the particular Class and thus will be borne on a pro rata basis by the outstanding Shares of the Class.

ARTICLE 4

SHARES

Section 4.1 Description of Shares. The Shares of the Trust shall be issued in one or more separate and distinct Series and/or classes as the Trustees may, without shareholder approval, authorize. Each Series shall be preferred over all other Series in respect of the assets allocated to that Portfolio. The beneficial interest of each Series shall at all times be divided into an

unlimited number of transferable Shares, each of which shall represent an equal proportionate interest in the Series with each other Shares of the same Series, none having priority or preference over another. Each such share shall be fully paid and nonassessable. Each Series shall be represented by one or more classes of Shares, with each class possessing such rights (including, notwithstanding any contrary provision herein, voting rights) as the Trustees, without shareholder approval, authorize. The number of shares authorized shall be unlimited, and the Shares so authorized may be represented in part by fractional shares. The Trustees may from time to time and without shareholder approval divide or combine the Shares of any Series or class into a greater or lesser number without thereby changing the proportionate beneficial interest in the Series.

(a) The number of authorized Shares and the number of Shares of each Series and each Class of a Series that may be issued is unlimited, and the Trustees may issue Shares of any Series or Class of any Series for such consideration and on such terms as they may determine (or for no consideration if pursuant to a Share dividend or split-up), all without action or approval of the Shareholders. All Shares when so issued on the terms determined by the Trustees shall be fully paid and non-assessable (but may be subject to mandatory redemption by the Trust as provided in subsection (g) of Section 4.3). The Trustees may classify or reclassify any unissued Shares or any Shares previously issued and reacquired of any Series or into one or more Series or Classes of Series that may be established and designated from time to time. The Trustees may hold as treasury Shares, reissue for such consideration and on such terms as they may determine, or cancel, at their discretion from time to time, any Shares of any Series reacquired by the Trust.

The Trustees may from time to time close the transfer books or establish record dates and times for the purposes of determining the holders of Shares entitled to be treated as such, to the extent provided or referred to in Section 5.3.

(b) The establishment and designation of any Series or any Class of any Series in addition to those established and designated in Section 4.2 and 4.3 shall be effective upon the execution by a majority of

the Trustees of an instrument setting forth such establishment and designation and the relative rights and preferences of the Shares of such Series or such Class of such Series, or as otherwise proved in such instrument. At any time that there are no Shares outstanding of any particular Series previously established and designated the Trustees may by an instrument executed by a majority of their number abolish that Series and the establishment and designation thereof. Each instrument referred to in this paragraph shall have the status of an amendment to this Declaration of Trust.

(c) Any Trustee, officer of other agent of the Trust, and any organization in which any such person is interested may acquire, own, hold and dispose of Shares of any Series of the Trust to the same extent as if such person were not a Trustee, officer of other agent of the Trust; and the Trust may issue and sell or cause to be issued and sold and may purchase Shares of any Series from any such person or any such organization subject only to the general limitations, restrictions or other provisions applicable to the sale or purchase of Shares of such Series generally.

Section 4.2 Establishment and Designation of Classes of Shares. The Trustees shall have the authority without shareholder approval from time to time to divide the Shares of any Series into two or more Classes as they deem necessary or desirable, and to establish and designate such Classes. In such event, each Class of a Series shall represent interests in the designated Series of the Trust and have such voting, dividend, liquidation and other rights as may be established and designated by the Trustees. Expenses related directly or indirectly to the Shares of a Class of a Series may be borne solely by such Class (as shall be determined by the Trustees) and, as provided in Section 4.3, a Class of a Series may have exclusive voting rights with respect to matters relating solely to such Class. The bearing of expenses solely by a Class of Shares or a Series shall be appropriately reflected (in the manner determined by the Trustees) in the net asset value, dividend, and liquidation rights of the Shares of such Class of a Series. The division of the Shares of a Series into Classes and the terms and conditions pursuant to which the Shares of the Classes of a Series will be issued must be made in compliance with 1940 Act and other federal securities laws.

Section 4.3 Establishment and Designation of Series. Without limiting the authority of the Trustees set forth Section 4.1 to establish and designate any further Series, the Trustees hereby establish and designate one Series: The Bond Fund for Growth and any Shares of any further Series that may from time to time be established and designated by the Trustees shall (unless the Trustees otherwise determine with respect to some further Series at the time of establishing and designating the same) have the following relative rights and preferences:

(a) Assets Belonging to Series. All consideration received by the Trust for the issue or sale of Shares of a particular Series, together with all assets in which such consideration is invested or reinvested, all income, earnings, profits, and proceeds thereof, including any proceeds derived from the sale, exchange or liquidation of such assets, and any funds or payments derived from any reinvestment of such proceeds in whatever form the same may be, shall be held by the Trustees in trust for the benefit of the holders of Shares of the Series and shall irrevocably belong to that Series for all purposes, and shall be so recorded upon the books of account of the Trust. Such consideration, assets, income, earnings, profits, and proceeds thereof, including any proceeds derived from the sale, exchange or liquidation of such assets, and any funds or payments derived from any reinvestment of such proceeds, in whatever

form the same may be, together with any General Items allocated to that Series as provided in the following sentence, are herein referred to as "assets belonging to" that Series. In the event that there are any assets, income, earnings, profits, and proceeds thereof, funds, or payments which are not readily identifiable as belonging to any particular Series (collectively "General Items"), the Trustee shall allocate such General Items to and among any one or more of the Series established and designated from time to time in such manner and on such basis as they, in their sole discretion, deem fair and equitable; and any General Items so allocated to a particular Series. Each such allocation by the Trustees shall be conclusive and binding upon the Shareholders of all Series for all purposes.

(b) (1) Liabilities Belonging to Series. The assets belonging to each particular Series shall be charged with the liabilities in respect of that Series and all expenses, costs, charges and reserves attributable to that Series, and any general liabilities, expenses, costs, charges or reserves of the Trust which are not readily identifiable as belonging to any particular Series shall be allocated and charged by the Trustees to and among any one or more of the Series established and designated from time to time in such manner and on such basis as the Trustees in their sole discretion deem fair and equitable. The liabilities, expenses, costs, charges and reserves allocated and so charged to a Series are herein referred to as "liabilities belonging to" that Series. Each allocation of liabilities, expenses, costs, charges and reserves by the Trustees shall be conclusive and binding upon the Shareholders of all Series for all purposes. Any creditor of any Series may look only to the assets of that Series to satisfy such creditor's debt.

(2) Liabilities Belonging to a Class. If a Series is divided into more than one Class, the liabilities, expenses, costs, charges and reserves attributable to a Class may be charged and allocated to the Class to which such liabilities, expenses, costs, charges or reserves are attributable. Any general liabilities, expenses, costs, charges or reserves belonging to the Series which are not identifiable as belonging to any particular Class shall be allocated and charged by the Trustees to and among any one or more of the Classes established and designated from time to time in such manner and on such a basis as the Trustees in their sole discretion deem fair and equitable. The liabilities, expenses, costs, charges and reserves allocated and so charged to each Class are herein referred to as "Liabilities belonging to" that Class. Each allocation of liabilities, expenses, costs, charges and reserves by the Trustees shall be conclusive and binding upon the holders of all Classes for all purposes.

(3) Income and Capital Items. The Trustees shall have full discretion, to the extent not inconsistent with the 1940 Act, to determine which items shall be treated as income and which items as capital; and each such determination and allocation shall be conclusive and binding upon the Shareholders.

(c) Dividends. Dividends and distributions on Shares of a particular Series

or Class may be paid with such frequency as the Trustees may determine, which may be daily or otherwise pursuant to a standing resolution or resolutions adopted only once or with such frequency as the Trustees may determine, to the holders of Shares of that Series or Class, from such of the income and capital gains, accrued or realized, from the assets belonging to that Series, as the Trustees may determine, after providing for actual and accrued liabilities belonging to such Series or Class. All dividends and distributions on Shares of a particular Series or Class shall be distributed pro rata to the holders of Shares of such Series or Class in proportion to the number of Shares of such Series or Class held by such holders at the date and time of record established for the payment of such dividends or distributions, except that in connection with any dividend or distribution program or procedure the Trustees may determine that no dividend or distribution shall be payable on Shares as to which the Shareholder's

12

purchase order and/or payment have not been received by the time or times established by the Trustees under such program or procedure. Such dividends and distributions may be made in cash or Shares of that Series or Class or a combination thereof as determined by the Trustees or pursuant to any program that the Trustees may have in effect at the time for the election by each Shareholder of the mode of the making of such dividend or distribution to that Shareholder. Any such dividend or distribution paid in Shares will be paid at the net asset value thereof as determined in accordance with subsection (h) of Section 4.3.

(d) Liquidation. In the event of the liquidation or dissolution of the Trust, the Shareholders of all Classes of each Series that has been established and designated shall be entitled to receive, as a Series or Class, when and as declared by the Trustees, the excess of the assets belonging to such Series or Class over the liabilities belonging to that Series or Class. The assets so distributable to the Shareholders of any particular Series or Class shall be distributed among such Shareholders in proportion to the number of Shares of such Class of that Series held by them and recorded on the books of the Trust. The liquidation of any particular Series or Class may be authorized by vote of a majority of the Trustees then in office subject to the approval of a majority of the outstanding voting Shares of that Series or Class, as defined in the 1940 Act.

(e) Voting. On each matter submitted to a vote of the Shareholders, each holder of a Share of each Series shall be entitled to one vote for each whole Share and for a proportionate fractional vote for each fractional Share standing in his name on the books of the Trust and all shares of each Series shall vote as a separate class, except as to voting for Trustees and as otherwise required by the 1940 Act. As to any matter which does not affect the interest of a particular Series, only the holders of Shares of one or more of the affected Series shall be entitled to vote. If the shares of a Series shall be divided

into Classes as provided in Section 4.2, the shares of each Class shall have identical voting rights except that the Trustees, in their discretion, may provide a Class of a Series with exclusive voting rights with respect to matters which relate solely to such Class. If the Shares of any Series shall be divided into Classes with a Class having exclusive voting rights with respect to certain matters, the quorum and voting requirements described below with respect to action to be taken by the shareholders of the Class of such Series on such matters shall be applicable only to the Shares of such Class. Any fractional Share shall carry proportionately all the rights of a whole Share, including the right to vote and the right to receive dividends.

(f) Redemption by Shareholders. In case any Shareholder of record of a particular Series desires to dispose of Shares, that shareholder may deposit at the office of the transfer agent or other authorized agent of the Trust a written request or such other form of request as the Trustees may from time to time authorize, requesting that the Trust purchase said Shares in accordance with this Section 4.3; and the Shareholder so requesting shall be entitled to require the Trust to purchase, and the Trust or the principal underwriter of the Trust shall purchase said Series, but only at the Net Asset Value thereof (as described in Section 4.3(h) hereof). The Series shall make payment for any such Shares to be redeemed, as aforesaid, in cash to the extent required by Federal law, and securities from such Series' assets, and payment for such Shares shall be made by the Series or the principal underwriter to the Shareholder of record within seven (7) days after the date upon which the request is effective, provided, however, that if Shares being redeemed have been purchased by check, the Series may postpone payment until the Trust has assurance that good payment has been collected for the purchase of the Shares. The Trust may require Shareholders to pay a sales charge to the Trust, the underwriter or any other person designated

by the Trustees upon redemption or repurchase of Shares of any Portfolio in such amount as shall be determined from time to time by the Trustees. The amount of such sales charge may but need not vary depending on various factors, including without limitation the holding period of the redeemed or repurchased Shares. The Trustees may also charge a redemption or repurchase fee in such amount as may be determined from time to time by the Trustees.

(g) Redemption by Trust. Each Share of each Series or Class that has been established and designated is subject to redemption by the Trust at the redemption price which would be applicable if such Share was then being redeemed by the Shareholder pursuant to subsection (f) of this Section 4.3: (a) at any time, if the Trustees determine in their sole discretion that failure to so redeem may have materially adverse consequences to the holders of the Shares of the Trust or any Series or Class thereof, or (b) upon such other conditions as may from time to time be determined by the Trustees and set forth in the then current Prospectus of the Trust with respect to maintenance of Shareholder

accounts of a minimum amount. Upon such redemption of the holders of the Shares so redeemed shall have no further right with respect thereto other than to receive payment of such redemption price.

(h) Net Asset Value. The net asset value per Share of any Series or Class shall be the quotient obtained by dividing the value of the net assets of that Series or Class (being the value of the assets belonging to that Series or Class less the liabilities belonging to that Series or Class) by the total number of Shares of that Series or Class outstanding, all determined in accordance with the methods and procedures, including without limitation those with respect to rounding, established by the Trustees from time to time.

The Trustees may determine to maintain the net asset value per Share of any Series or Class at a designated constant dollar amount and in connection therewith may adopt procedures not inconsistent with the 1940 Act for the continuing declarations of income attributable to that Series or Class as dividends payable in additional Shares of that Series or Class at the designated constant dollar amount and for the handling of any losses attributable to that Series or Class. Such procedures may provide that in the event of any loss each Shareholder shall be deemed to have contributed to the capital of the Trust attributable to that Series or Class his pro rata portion of the total number of Shares required to be cancelled in order to permit the net asset value per Share of that Series or Class to be maintained, after reflecting such loss, at the designated constant dollar amount. Each shareholder of the Trust shall be deemed to have agreed, by his investment in any Series or Class with respect to which the Trustees shall have adopted any such procedure, to make the contribution referred to in the preceding sentence in the event of any such loss.

(i) Transfer. All Shares of each particular Series shall be transferable, but transfers of Shares of a particular Series and Class will be recorded on the Share transfer records of the Trust applicable to such Class of that Series only at such times as Shareholders shall have the right to require the Trust to redeem Shares of such Class of that Series and at such other times as may be permitted by the Trustees.

(j) Equality. All Shares of all Series shall represent an equal proportionate interest in the assets belonging to that Series (subject to the liabilities belonging to such Class of that Series), and each Share of any particular Series shall be equal to each other Share of that Series; but the provisions of this sentence shall not restrict any distinctions permissible under subsection (c) of this Section 4.3 that may exist with respect to dividends and distributions on Shares of the different Classes of a Series. The Trustees may from time to time without shareholder approval divide or combine the Shares of that Class

or Series into a greater or lesser number of Shares of that Class or Series

without thereby changing the proportionate beneficial interest in the assets belonging to that Class or Series or in any way affecting the rights of Shares of any other Class or Series.

(k) Fractions. Any fractional Share of any Class and Series, if any such fractional Share is outstanding, shall carry proportionately all the rights and obligations of a whole Share of that Class and Series, including rights and obligations with respect to voting, receipt of dividends and distributions, redemption of Shares, and liquidation of the Trust.

(l) Conversion Rights. Subject to compliance with the requirements of the 1940 Act, the Trustees shall have the authority to provide that (i) holders of Shares of any Series shall have the right to exchange said Shares into Shares of one or more other Series of Shares, (ii) holders of shares of any Class shall have the right to exchange said Shares into Shares of one or more other Classes of the same or a different Series, and/or (iii) the Trust shall have the right to carry out the aforesaid exchanges, in each case in accordance with such requirements and procedures as may be established by the Trustees.

Section 4.4 Ownership of Shares. The ownership of Shares shall be recorded on the books of the Trust or of a transfer or similar agent for the Trust, which books shall be maintained separately for the shares of each Class and Series that has been established and designated. No certificate certifying the ownership of Shares need be issued except as the Trustees may otherwise determine from time to time. The Trustees may make such rules as they consider appropriate for the issuance of Share certificates, the use of facsimile signatures, the transfer of Shares and similar matters. The record books of the Trust as kept by the Trust or any transfer or similar agent, as the case may be, shall be conclusive as to who are the Shareholders and as to the number of Shares of each Class and Series held from time to time by each such Shareholder.

Section 4.5 Investments in the Trust. The Trustees may accept investments in the Trust from such persons and on such terms and for such consideration, not inconsistent with the provisions of the 1940 Act, as they from time to time authorize. The Trustees may authorize any distributor, principal underwriter, custodian, transfer agent or other person to accept orders for the purchase of Shares that conform to such authorized terms and to reject any purchase orders for Shares whether or not conforming to such authorized terms.

Section 4.6 No Preemptive Rights. Shareholders shall have no preemptive or other right to subscribe to any additional Shares or other securities issued by the Trust.

Section 4.7 Status of Shares and Limitation of Personal Liability. Shares shall be deemed to be personal property giving only the rights provided in this instrument. Every Shareholder by virtue of having become a Shareholder shall be held to have expressly assented and agreed to the terms hereof and to have become a party hereto. The death of a Shareholder during the continuance of the Trust shall not operate to terminate the Trust or any Series or Class thereof nor entitle the representative of any deceased Shareholder to an accounting or to take any action in court or elsewhere against the Trust or the Trustees, but

only to the rights of said decedent under this Trust. Ownership of Shares shall not entitle the Shareholder to any title in or to the whole or any part of the Trust property or right to call for a partition or division of the same or for an accounting, nor shall the ownership of Shares constitute the Shareholders partners. Neither the Trust nor the Trustees, nor any officer, employee or agent of the

Trust shall have any power to bind personally any Shareholder, nor except as specifically provided herein to call upon any Shareholder for the payment of any sum of money or assessment whatsoever other than such as the Shareholder may at any time personally agree to pay.

ARTICLE 5

SHAREHOLDERS' VOTING POWERS AND MEETINGS

Section 5.1 Voting Powers. The Shareholders shall have power to vote only (i) for the election or removal of Trustees as provided in Section 3.1, (ii) with respect to any contract with a Contracting Party as provided in Section 3.3 as to which Shareholder approval is required by the 1940 Act, (iii) with respect to any termination or reorganization of the Trust or any Series to the extent and as provided in Sections 7.1 and 7.2, (iv) with respect to any amendment of this Declaration of Trust, to the extent and as provided in Section 7.3, (v) to the same extent as the stockholders of a Massachusetts business corporation as to whether or not a court action, proceeding or claim would or should not be brought or maintained derivatively as a class action on behalf of the Trust or any Series or Class thereof or the Shareholders (provided, however, that a shareholder of a particular Series or Class shall not be entitled to initiate a derivative or class action on behalf of any other Series or Class (or shareholder of any other Series or Class) of the Trust) and (vi) with respect to such additional matters relating to the Trust as may be required by the 1940 Act, this Declaration of Trust, the By-Laws or any registration of the Trust with the Commission (or successor agency) or any state, or as the Trustees may consider necessary or desirable. There shall be no cumulative voting on the election of Trustees. Shares may be voted in person or by proxy. A proxy with respect to shares held in the name of two or more persons shall be valued if executed by any one of them unless at or prior to exercise of the proxy the Trust receives specific written notice to the contrary from any one of them. A proxy purporting to be executed by or on behalf of a Shareholder shall be deemed valid unless challenged at or prior to its exercise and the burden of proving invalidity shall rest on the challenger. Until shares are issued, the Trustees may exercise all rights of Shareholders and may take any action required by law, this Declaration of Trust or the By-Laws to be taken by the Shareholders.

Section 5.2 Meetings. No annual or regular meeting of Shareholders is required. Special meetings of Shareholders may be called by the Trustees from

time to time for the purpose of taking action upon any matter requiring the vote or authority of the Shareholders as herein provided or upon any other matter deemed by the Trustees to be necessary or desirable. Written notice of any meeting of Shareholders shall be given or caused to be given by the Trustees by mailing such notice at least seven days before such meeting, postage prepaid, stating the time, place and purpose of the meeting, to each Shareholder at the Shareholder's address as it appears on the records of the Trust. The Trustees shall promptly call and give notice of a meeting of Shareholders for the purpose of voting upon removal of any Trustee of the Trust when requested to do so in writing by Shareholders holding not less than 10% of the Shares then outstanding. If the Trustees shall fail to call or give notice of any meeting of Shareholders for a period of 30 days after written application by Shareholders holding at least 10% of the Shares then outstanding requesting a meeting be called for a purpose requiring action by the Shareholders as provided herein or in the By-Laws, then Shareholders holding at least 10% of the Shares then outstanding may call and give notice of such meeting and thereupon the meeting shall be held in the manner provided for herein in case of call thereof by the Trustee.

16

Section 5.3 Record Dates. For the purpose of determining the Shareholders who are entitled to vote or act at any meeting or any adjournment thereof, or who are entitled to participate in any dividend or distribution, or for the purpose of any other action, the Trustees may from time to time close the transfer books for such period, not exceeding 30 days (except at or in connection with the termination of the Trust), as the Trustees may determine; or without closing the transfer books the Trustees may fix a date and time not more than 60 days prior to the date of any meeting of Shareholders or other action as the date and time of record for the determination of Shareholders entitled to vote at such meeting or any adjournment thereof or to be treated as Shareholders of record for purposes of such other action, and any Shareholder who was a Shareholder at the date and time so fixed shall be entitled to vote at such meeting or any adjournment thereof or to be treated as a Shareholder of record for purposes of such other action, even though he has since that date and time disposed of his Shares, and no Shareholder becoming such after that date and time shall be so entitled to vote as such meeting or any adjournment thereof or to be treated as a Shareholder of record for purposes of such other action.

Section 5.4 Quorum and Required Vote. A majority of the Shares, or of the Shares of any Series or Class of any Series with respect to matters as to which only shareholders of said Series or Class of Series, respectively, entitled to vote shall be a quorum for the transaction of business at a Shareholders' meeting, but any lesser number shall be sufficient for adjournments. Any adjourned session or sessions may be held, within a reasonable time after the date set for the original meeting without the necessity of further notice. A majority of the Shares voted, at a meeting of which a quorum is present shall decide any questions and a plurality shall elect a Trustee, except when a

different vote is required or permitted by any provision of the 1940 Act or other applicable law or by this Declaration of Trust or the By-Laws.

Section 5.5 Action by Written Consent. Subject to the provisions of the 1940 Act and other applicable law, any action taken by Shareholders may be taken without a meeting if the holders of all outstanding shares entitled to vote on the matter consent to the action in writing and such written consents are filed with the records of the meetings of Shareholders. Such consent shall be treated for all purposes as a vote taken at a meeting of Shareholders.

Section 5.6 Inspection of Record. The records of the Trust shall be open to inspection by Shareholders to the same extent as is permitted stockholders of a Massachusetts business corporation under the Massachusetts Business Corporation Law.

Section 5.7 Additional Provisions. The By-Laws may include further provisions for Shareholders' votes and meetings and related matters not inconsistent with the provisions hereof.

17

Section 5.8 Shareholder Communications. Whenever ten or more Shareholders of record have been such for at least six months preceding the date of application, and who hold in the aggregate either Shares having a net asset value of at least \$25,000 or at least 1% of the outstanding Shares, whichever is less, shall apply to the Trustees in writing, stating that they wish to communicate with other Shareholders with a view to obtaining signatures to a request for a Shareholder meeting and accompanied by a form of communication and request which they wish to transmit, the Trustees shall within five business days after receipt of such application either (1) afford to such applicants access to a list of the names and addresses of all Shareholders as recorded on the books of the Trust or Series, as applicable; or (2) inform such applicants as to the approximate number of Shareholders of record, and the approximate cost of mailing to them the proposed communication and form of request.

If the Trustees elect to follow the course specified in paragraph (2) above the Trustees, upon the written request of such applicants, accompanied by a tender of the material to be mailed and of the reasonable expenses of mailing, shall, with reasonable promptness, mail such material to all Shareholders of record of their addresses as recorded on the books, unless within five business days after such tender the Trustees shall mail to such applicants and file with the Commission, together with a copy of the material to be mailed, a written statement signed by at least a majority of the Trustees to the effect that in their opinion either such material contains untrue statements of fact or omits to state facts necessary to make the statements contained therein not misleading, or would be in violation of applicable law, and specifying the basis of such opinion. The Trustees shall thereafter comply with the requirements of the 1940 Act.

ARTICLE 6

LIMITATION OF LIABILITY, INDEMNIFICATION

Section 6.1 Trustees, Shareholders, etc. Not Personally Liable; Notice. All persons extending credit to, contracting with or having any claim against the Trust shall look only to the assets of the Series or Class with which such person dealt for payment under such credit, contract or claim; and neither the Shareholders of any Series or Class nor the Trustees, nor any of the Trust's officers, employees or agents, whether past, present or future, nor any other Series shall be personally liable therefor. Every note, bond, contract, instrument, certificate or undertaking and every other act or thing whatsoever executed or done by or on behalf of the Trust, and Series or Class or the Trustees or any of them in connection with the Trust shall be conclusively deemed to have been executed or done only by or for the Trust (or the Series or Class) or the Trustees and not personally. Nothing in this Declaration of Trust shall protect any Trustee or officer against any liability to the Trust or the Shareholders to which such Trustee or officer would otherwise be subject by reason of wilful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct of the office of Trustee or of such officer.

Every note, bond, contract, instrument, certificate or undertaking made or issued by the Trustees or by any officers or officer shall give notice that this Declaration of Trust is on file with the Secretary of the Commonwealth of Massachusetts and shall recite that the same was executed or made by or on behalf of the Trust or by them as Trustees or Trustee or as officers or officer and not individually and that the obligations of such instrument are not binding upon any of them or the Shareholders individually but are binding only upon the assets and property of the Trust, or the particular Series or Class in question, as

18

the case may be, but the omission thereof shall not operate to bind any Trustees or Trustee or officers or officer of Shareholders or Shareholder individually.

Section 6.2 Trustee's Good Faith Action; Expert Advice; No Bond or Surety. The exercise by the Trustees of their powers and discretion hereunder shall be binding upon everyone interested. A Trustee shall be liable for his own wilful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of the office of Trustee, and for nothing else, and shall not be liable for errors in judgement or mistakes of fact or law. Subject to the foregoing, (a) the Trustees shall not be responsible or liable in any event for any neglect or wrongdoing of any officer, agent, employee, consultant, adviser, administrator, distributor or principal underwriter, custodian or transfer, dividend disbursing, Shareholder servicing or accounting agent of the

Trust, nor shall any Trustee be responsible for the act or omission of any other Trustee; (b) the Trustees may take advice of counsel or other experts with respect to the meaning and operation of this Declaration of Trust and their duties as Trustees, and shall be under no liability for any act or omission in accordance with such advice or for failing to follow such advice; and (c) in discharging their duties, the Trustees, when acting in good faith, shall be entitled to rely upon the books of account of the Trust and upon written reports made to the Trustees by any officer appointed by them, any independent public accountant, and (with respect to the subject matter of the contract involved) any officer, partner or responsible employee of a Contracting Party appointed by the Trustees pursuant to Section 3.3. The Trustees as such shall not be required to give any bond or surety or any other security for the performance of their duties.

Section 6.3 Indemnification of Shareholders. In case any Shareholder (or former Shareholder) shall be charged or held to be personally liable for any obligation or liability of the Trust solely by reason of being or having been a Shareholder and not because of such Shareholder's acts or omissions or for some other reason, said Trust (upon proper and timely request by the Shareholder) shall assume the defense against such charge and satisfy any judgment thereon, and the Shareholder or former Shareholder (or his heirs, executors, administrators or other legal representatives or in the case of a corporation or other entity, its corporate or other general successor) shall be entitled out of the assets of said Trust estate to be held harmless from and indemnified against all loss and expense arising from such liability.

Section 6.4 Indemnification of Trustees, Officers, etc. The Trust shall indemnify (from the assets of the Series or Class or Series or Classes in question) each of its Trustees and officers (including persons who serve at the Trust's request as directors, officers or trustees of another organization in which the Trust has any interest as a Shareholder, creditor or otherwise (hereinafter referred to as "Covered Person") against all liabilities, including but not limited to amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and expenses, including reasonable accountants' and counsel fees, incurred by any Covered Person in connection with the defense or disposition of any action, suit or other proceeding, whether civil or criminal, before any court or administrative or legislative body, in which such Covered Person may be or may have been involved as a party or otherwise or with which such person may be or may have been threatened, while in office or thereafter, by reason of being or having been such a Trustee or officer, director or trustee, except with respect to any matter as to which it has been determined in one of the manners described below, that such Covered Person (i) did not act in good faith in the reasonable belief that such Covered Person's action was in or not opposed to the best interests of the Trust or (ii) had acted with wilful misfeasance, bad faith, gross negligence, or reckless disregard of the duties involved in the conduct described in (i) and (ii) being referred to hereafter as "Disabling Conduct". A determination that the Covered Person is not entitled to indemnification due to

Disabling Conduct may be made by (i) a final decision on the merits by a court or other body before whom the proceeding was brought that the person to be indemnified was not liable by reason of Disabling Conduct, (ii) dismissal of a court action or an administrative proceeding against a Covered Person for insufficiency of evidence of Disabling Conduct, or (iii) a reasonable determination, based upon a review of the facts, that the indemnitee was not liable by reason of the facts, that the indemnitee was not liable by reason of Disabling Conduct by (a) a vote of a majority of a quorum of Trustees who are neither "interested persons" of the Trust as defined in section 2(a)(19) of the 1940 Act nor parties to the proceeding, or (b) an independent legal counsel in a written opinion. Expenses, including accountants' and counsel fees so incurred by any such Covered Person (but excluding amounts paid in satisfaction of judgements, in compromise or as fines or penalties), may be paid from time to time in advance of the final disposition of any such action, suit or proceeding, provided that the Covered Person shall have undertaken to repay the amounts so paid to the Series or Class in question if it is ultimately determined that indemnification of such expenses is not authorized under this Article 6 and (i) the Covered Person shall have provided security for such undertaking, (ii) the Trust shall be insured against losses arising by reason of any lawful advances, or (iii) a majority of a quorum of the disinterested Trustees who are not a party to the proceeding, or an independent legal counsel in a written opinion, shall have determined, based on a review of readily available facts (as opposed to a full trial-type inquiry), that there is reason to believe that the Covered Party ultimately will be found entitled to indemnification.

Section 6.5 Compromise Payment. As to any matter disposed of by a compromise payment by any such Covered Person referred to in Section 6.4, pursuant to a consent decree or otherwise, no such indemnification either for said payment or for any other expenses shall be provided unless such indemnification shall be approved (a) by a majority of the disinterested Trustees who are not a party to the proceeding or (b) by an independent legal counsel in a written opinion. Approval by the Trustees pursuant to clause (a) or by independent legal counsel pursuant to clause (b) shall not prevent the recovery from any Covered Person of any amount paid to such Covered Person in accordance with any of such clauses as indemnification if such Covered Person is subsequently adjudicated by a court of competent jurisdiction not to have acted in good faith in the reasonable belief that such Covered Person's action was in or not opposed to the best interests of the Trust or to have been liable to the Trust or its Shareholders by reason of wilful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such Covered Person's office.

Section 6.6 Indemnification Not Exclusive, etc. The right of indemnification provided by this Article 6 shall not be exclusive of or affect any other rights to which any such Covered Person may be entitled. As used in this Article 6, "Covered Person" shall include such person's heirs, executors and administrators, an "interested Covered Person" is one against whom the

action, suit or other proceeding in question or another action, suit or other proceeding on the same or similar grounds is then or has been pending or threatened, and a "disinterested" person is a person against whom none of such actions, suits or other proceedings or another action, suit or other proceeding on the same or similar grounds is then or has been pending or threatened. Nothing contained in this article shall affect any rights to indemnification to which personnel of the Trust, other than Trustees and officers, and other persons may be entitled by contract or otherwise under law, nor the power of the Trust to purchase and maintain liability insurance on behalf of any such person.

20

Section 6.7 Liability of Third Persons Dealing with Trustees. No person dealing with the Trustees shall be bound to make any inquiry concerning the validity of any transaction made or to be made by the Trustees or to see to the application of any payments made or property transferred to the Trust or upon its order.

ARTICLE 7

MISCELLANEOUS

Section 7.1 Duration and Termination of Trust. Unless terminated as provided herein, the Trust shall continue without limitation of time and, without limiting the generality of the foregoing, no change, alteration or modification with respect to any Series or Class shall operate to terminate the Trust. The Trust may be terminated at any time by a majority of the Trustees then in office subject to a favorable vote of a majority of the outstanding voting securities, as defined in the 1940 Act, Shares of each Series or Class voting separately by Series or Class.

Upon termination, after paying or otherwise providing for all charges, taxes, expenses and liabilities, whether due or accrued or anticipated as may be determined by the Trustees, the Trust shall in accordance with such procedures as the Trustees consider appropriate reduce the remaining assets to distributable form in cash, securities or other property, or any combination thereof, and distribute the proceeds to the Shareholders, in conformity with the provisions of subsection (d) of Section 4.3.

Section 7.2 Reorganization. The Trustees may sell, convey, merge and transfer the assets of the Trust, or the assets belonging to any one or more Series or Classes, to another trust, partnership, association or corporation organized under the laws of any state of the United States, or to the Trust to be held as assets belonging to another Series or Class of the Trust, in exchange for cash, shares or other securities (including, in the case of a transfer to another Series or Class of the Trust, Shares of such other Series or Class) with such transfer either (1) being made subject to, or with the assumption by the transferee of, the liabilities belonging to each Series or Class the assets of

which are so transferred, or (2) not being made subject to, or not with the assumption of, such liabilities; provided, however, that no assets belonging to any particular Series or Class shall be so transferred unless the terms of such transfer shall have first been approved at a meeting called for the purpose by the affirmative vote of the holders of a majority of the outstanding voting Shares, as defined in the 1940 Act, of that Series or Class. Following such transfer, the Trustees shall distribute such cash, shares or other securities (giving due effect to the assets and liabilities belonging to and any other differences among the various Series or Classes the assets belonging to which have been so transferred) among the Shareholders of the Series or Class the assets belonging to which have been so transferred; and if all of the assets of the Trust have been so transferred, the Trust shall be terminated.

The Trust, or any one or more Series or Classes, may either as the successor, survivor, or non-survivor, (1) consolidate with one or more other trusts, partnerships, associations or corporations organized under the laws of the Commonwealth of Massachusetts or any other state of the United States, to form a new consolidated trust, partnership, association or corporation under the laws of which any one of the constituent entities is organized, or (2) merge into one or more other trusts, partnerships, associations or corporations organized under the laws of the Commonwealth of Massachusetts or any other state of the United States, or have one or more such trusts, partnerships, associations or

corporations merge into it, any such consolidation or merger to be upon such terms and conditions as are specified in an agreement and plan of reorganization entered into by the Trust, or one or more Series or Classes as the case may be, in connection therewith. The terms "merge" or "merger" as used herein shall also include the purchase or acquisition of any assets of any other trust, partnership, association or corporation which is an investment company organized under the laws of the Commonwealth of Massachusetts or any other state of the United States. Any such consolidation or merger shall require the affirmative vote of the holders of a majority of the outstanding voting Shares, as defined in the 1940 Act, of each Sub-Trust affected thereby.

Section 7.3 Amendments. All rights granted to the Shareholders under this Declaration of Trust are granted subject to the reservation of the right to amend this Declaration of Trust as herein provided, except that no amendment shall repeal the limitations on personal liability of any Shareholder or Trustee or repeal the prohibition of assessment upon the Shareholders without the express consent of each Shareholder or Trustee involved. Subject to the foregoing, the provisions of this Declaration of Trust (whether or not related to the rights of Shareholders) may be amended at any time, so long as such amendment does not adversely affect the rights of any Shareholder with respect to which such amendment is or purports to be applicable and so long as such amendment is not in contravention of applicable law, including the 1940 Act, by

an instrument in writing signed by a majority of the then Trustees (or by an officer of the Trust pursuant to the vote of a majority of such Trustees). Any amendment to this Declaration of Trust that adversely affects the rights of Shareholders may be adopted at any time by an instrument in writing signed by a majority of the then Trustees (or by an officer of the Trust pursuant to the vote of a majority of such Trustees) when authorized to do so by the vote in accordance with subsection (e) of Section 4.3 of Shareholders holding a majority of the Shares entitled to vote. Subject to the foregoing, any such amendment shall be effective as provided in the instrument containing the terms of such amendment or, if there is no provision therein with respect to effectiveness upon the execution of such instrument and of a certificate (which may be a part of such instrument) executed by a Trustee or officer of the Trust to the effect that such amendment has been duly adopted.

Section 7.4 Filing of Copies; References; Headings. The original or a copy of this instrument and of each restated declaration of trust or amendment hereto shall be kept at the office of the Trust where it may be inspected by any Shareholder. A copy of this instrument and of each restated declaration of trust or amendment or hereto shall be filed with the Secretary of the Commonwealth of Massachusetts and with any other governmental office where such filing may from time to time be required, but the failure to make any such filing shall not impair the effectiveness of this instrument or any such restatement or amendment. Anyone dealing with the Trust may rely on a certificate by an officer of the Trust as to whether or not any such restatements or amendments have been made, as to the identities of the Trustees and officers, and as to any matters in connection with the Trust hereunder; and, with the same effect as if it were the original, may rely on a copy certified by an officer of the Trust to be a copy of this instrument or of any such restatements or amendments. In this instrument and in any such restatement or amendment, references to this instrument, and all expressions like "herein", "hereof" and "hereunder" shall be deemed to refer to this instrument as a whole as the same may be amended or affected by any such restatements or amendments. The masculine gender shall include the feminine and neuter genders. Headings are placed herein for convenience of reference only and shall not be taken as a part hereof or control of affect the meaning, construction or effect of this instrument. This instrument may be executed in any number of counterparts each of which shall be deemed an original.

Section 7.5 Applicable Law. This Agreement and Declaration of Trust is created under and is to be governed by and construed and administered according to the laws of the Commonwealth of Massachusetts, including the Massachusetts Business Corporation Law as the same may be amended from time to time, to which reference is made with the intention that matters not specifically covered herein or as to which an ambiguity may exist shall be resolved as if the Trust were a business corporation organized in Massachusetts, but the reference to said Business Corporation Law is not intended to give the Trust, the Trustee,

the Shareholders or any other person any right, power, authority or responsibility available only to or in connection with an entity organized in corporate form. The Trust shall be of the type referred to in Section 1 of Chapter 182 of the Massachusetts General Laws and of a type commonly called a Massachusetts business trust, and without limiting the provisions hereof, the Trust may exercise all powers which are ordinarily exercised by such a Trust.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands and seals for themselves and their assigns, as of the day and year first above written.

/s/ ROBERT E. BROWN

Robert E. Brown

/s/ RONALD H. FIELDING

Ronald H. Fielding

/s/ ELTON J. BURGETT

Elton J. Burgett

/s/ MARVIN J. HOFFMAN

Marvin J. Hoffman, M.D.

/s/ JOSEPH A. BURNETT

Joseph A Burnett

/s/ MICHAEL S. ROSEN

Michael S. Rosen

/s/ JOHN CANNON

John Cannon

/s/ ERIC W. ZAENGLEIN

Eric W. Zaenglein

/s/ ANGELO COSTANZA

Angelo Costanza

ROCHESTER FUND SERIES

AMENDMENT TO THE AGREEMENT AND DECLARATION OF TRUST

This amendment to the Amended and Restated Agreement and Declaration of Trust of Rochester Fund Series (the "Restated Declaration of Trust") executed this 1st day of November, 1995.

WHEREAS, the Trustees established Rochester Fund Series (the "Trust"), a business trust currently with one series, The Bond Fund For Growth, under the laws of the Commonwealth of Massachusetts, for the investment and reinvestment of funds contributed thereto, under an Agreement and Declaration of Trust dated January 10, 1986 and filed with the Commonwealth of Massachusetts on January 21, 1986, as amended on March 31, 1986, December 29, 1989, January 25, 1990 and April 23, 1993; and

WHEREAS, the Restated Declaration of Trust dated January 26, 1995 was filed by the Trust with the Commonwealth of Massachusetts on February 8, 1995; and

WHEREAS, Section 7.3 of the Restated Declaration of Trust requires that amendments thereto be by an instrument in writing signed by an officer of the Trust pursuant to a majority vote of the Trustees and filed with the Commonwealth of Massachusetts; and WHEREAS, the Trustees now desire to amend the Restated Declaration of Trust and such amendments and filing thereof have been approved by the unanimous written consent of the Trustees

NOW, THEREFORE,

1. The Restated Declaration of Trust is hereby amended to revise Section 5.1 entitled "Voting Powers" and Section 5.3 entitled "Record Date".
2. Section 5.1 shall read in its entirety as follows:

24

Section 5.1 Voting Powers. The Shareholders shall have power to vote only (i) for the election or removal of Trustees as provided in Section 3.1, (ii) with respect to any contract with a Contracting Party as provided in Section 3.3 as to which Shareholder approval is required by the 1940 Act, (iii) with respect to any termination or reorganization of the Trust or any Series to the extent and as provided in Sections 7.1 and 7.2, (iv) with respect to any amendment of this Declaration of Trust, to the extent and as provided in Section 7.3, (v) to the same extent as the stockholders of a Massachusetts business corporation as to whether or not a court action, proceeding or claim would or should not be brought or maintained derivatively as a class action on behalf of the Trust or any Series or Class thereof or the Shareholders (provided, however, that a shareholder of a particular Series or Class shall not be entitled to initiate a derivative or class action on behalf of any other Series or Class (or shareholder of any other Series or Class) of the Trust) and (vi) with respect to such additional matters relating to the Trust as may be required by the 1940 Act, this Declaration of Trust, the By-Laws or any registration of the Trust with the Commission (or successor agency) or any state, or as the Trustees may consider necessary or desirable. There shall be no cumulative voting on the election of Trustees. Shares may be voted in person or by proxy. Proxy votes may be recorded by telephone in accordance with such procedures as may be established by the Trustees from time to time. A shareholder may designate by telephone a person as his or her attorney-in-fact to vote his or her proxy in written form. A proxy with respect to shares held in the name of two or more persons shall be valid if executed by any one of them unless at or prior to exercise of the proxy the Trust receives specific written notice to the contrary from any one of them. A proxy purporting to be executed by or on behalf of a Shareholder shall be deemed valid unless challenged at or prior to its exercise and the burden of proving invalidity shall rest on the challenger. Until shares are issued, the Trustees may exercise all rights of Shareholders and may take

any action required by law, this Declaration of Trust or the By-Laws to be taken by the Shareholders.

3. Section 5.3 shall read in its entirety as follows:

Section 5.3 Record Dates. For the purpose of determining the Shareholders who are entitled to vote or act at any meeting or any adjournment thereof, or who are entitled to participate in any dividend or distribution, or for the purpose of any other action, the Trustees may from time to time close the transfer books for such period, not exceeding 30 days (except at or in connection with the termination of the Trust), as the Trustees may determine; or without closing the transfer books the Trustees may fix a date and time not more than 60 days prior to the date of any meeting of Shareholders or other action as the date and time of record for the determination of Shareholders entitled to vote at such meeting or any adjournment thereof, whether or not the date to which a meeting is adjourned is a date in excess of 60 days of the Record Date, or to be treated as Shareholders of record for purposes of such other action, and any Shareholder who was a Shareholder at the date and time so fixed shall be entitled to vote at such meeting or any adjournment thereof or to be treated as a Shareholder of record for purposes of such other action, even though he has since that date and time disposed of his Shares, and

25

no Shareholder becoming such after that date and time shall be so entitled to vote as such meeting or any adjournment thereof or to be treated as a Shareholder of record for purposes of such other action.

4. These revisions to the Restated Declaration of Trust shall be effective upon filing of this amendment with the Secretary of State of the Commonwealth of Massachusetts.

5 All other terms and conditions of the Restated Declaration of Trust shall remain the same.

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed on the day and year first set forth above.

Rochester Fund Series

/s/ RONALD H. FIELDING

Ronald H. Fielding, President

26

EXHIBIT 5

INVESTMENT ADVISORY AGREEMENT

AGREEMENT, made the 4th day of January, 1996, by and between ROCHESTER FUND SERIES, a Massachusetts business trust (the "Trust"), and OPPENHEIMER MANAGEMENT CORPORATION (hereinafter referred to as "OMC").

WHEREAS, the Fund is an open-end, non-diversified management investment company registered as such with the Securities and Exchange Commission (the "Commission") pursuant to the Investment Company Act of 1940 (the "Investment Company Act"), and OMC is an investment adviser registered as such with the Commission under the Investment Advisers Act of 1940;

WHEREAS, THE BOND FUND FOR GROWTH (the "Fund") is one portfolio of the Trust;

WHEREAS, the Fund has Shares of beneficial interest to be issued by the Fund ("Shares") pursuant to the Fund's registration statement;

WHEREAS, the Fund desires that OMC shall act as its investment adviser pursuant to this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, it is agreed by and between the parties, as follows:

1. GENERAL PROVISIONS:

The Trust hereby employs OMC and OMC hereby undertakes to act as the investment adviser of the Fund in connection with, and for the benefit of, the Fund and to perform for the Fund such other duties and functions in connection with the Fund for the period and on such terms as set forth in this Agreement. OMC shall, in all matters, give to the Trust and its Board of Trustees (the "Trustees") the benefit of its best judgement, effort, advice and recommendations and

shall, at all times conform to, and use its best efforts to enable the Fund to conform to (i) the provisions of the Investment Fund Act and any rules or regulations thereunder; (ii) any other applicable provisions of state or Federal law; (iii) the provisions of the Declaration of Trust and By-Laws of the Trust as amended from time to time; (iv) policies and determinations of the Trustees; (v) the fundamental policies and investment restrictions of the Fund as reflected in the registration statement of the Trust under the Investment Company Act or as such policies may, from time to time, be amended and (vi) the

Prospectus and Statement of Additional Information of the Fund in effect from time to time. The appropriate officers and employees of OMC shall be available upon reasonable notice for consultation with any of the Trustees and officers of the Trust with respect to any matters dealing with the business and affairs of the Trust including the valuation of portfolio securities of the Fund which are either not registered for public sale or not traded on any securities market.

2. INVESTMENT MANAGEMENT:

(a) OMC shall, subject to the direction and control by the Trustees, (i) regularly provide investment advise and recommendations to the Fund with respect to the investments, investment policies and the purchase and sale of securities and other investments for the Fund; (ii) supervise continuously the investment program of the Fund and the composition of its portfolio and determine what securities shall be purchased or sold by the Fund; and (iii) arrange, subject to the provisions of paragraph 7 hereof, for the purchase of securities and other investments for the Fund and the sale of securities and other investments held in the portfolio of the Fund.

(b) Provided that the Trust shall not be required to pay any compensation for services under this Agreement other than as provided by the terms of the Agreement and subject to the provisions of paragraph 7 hereof, OMC may obtain investment information, research or

2

assistance from any other person, firm or corporation to supplement, update or otherwise improve its investment management services including entering into sub-advisory agreements with other affiliated or unaffiliated registered investment advisors to obtain specialized services.

(c) Provided that nothing herein shall be deemed to protect OMC from willful misfeasance, bad faith or gross negligence in the performance of its duties, or reckless disregard of its obligations and duties under this Agreement, OMC shall not be liable for any loss sustained by reason of good faith errors or omissions in connection with any matters to which this Agreement relates.

(d) Nothing in this Agreement shall prevent OMC or any entity controlling, controlled by or under common control with OMC or any officer thereof from acting as investment adviser for any other person, firm or corporation or in any way limit or restrict OMC or any of its directors, officers, stockholders or employees from buying, selling or trading any securities or other investments for its or their own account or for the account of others for whom it or they may be acting, provided that such activities will not adversely affect or otherwise impair the performance by OMC of its duties and obligations under this Agreement.

3. OTHER DUTIES OF OMC:

OMC shall, at its own expense, provide and supervise the activities of all administrative and clerical personnel as shall be required to provide effective corporate administration for the Fund, including the compilation and maintenance of such records with respect to its operations as may reasonably be required; the preparation and filing of such reports with respect thereto as shall be required by the Commission; composition of periodic reports with respect to operations of the Fund for its shareholders; composition of proxy materials for meetings of the Fund's shareholders; and the composition of such registration statements as may be

3

required by Federal and state securities laws for continuous public sale of Shares of the Fund. OMC shall, at its own cost and expense, also provide the Trust with adequate office space, facilities and equipment. OMC shall, at its own expenses, provide such officers for the Trust as the Board of Trustees may request.

4. ALLOCATION OF EXPENSES:

All other costs and expenses of the Fund not expressly assumed by OMC under this Agreement, or to be paid by the Distributor of the Shares of the Fund, shall be paid by the Fund, including, but not limited to: (i) interest, taxes and governmental fees; (ii) brokerage commissions and other expenses incurred in acquiring or disposing of the portfolio securities and other investments of the Fund; (iii) insurance premiums for fidelity and other coverage requisite to its operations; (iv) compensation and expenses of its Trustees other than those affiliated with OMC; (v) legal and audit expenses; (vi) custodian and transfer agent fees and expenses; (vii) expenses incident to the redemption of its Shares; (viii) expenses incident to the issuance of its Shares against payment therefor by or on behalf of the subscribers thereto; (ix) fees and expenses, other than as hereinabove provided, incident to the registration under Federal and state securities laws of Shares of the Fund for public sale; (x) expenses of printing and mailing reports, notices and proxy materials to shareholders of the Fund; (xi) except as noted above, all other expenses incidental to holding meetings of the Fund's shareholders; and (xii) such extraordinary non-recurring expenses as may arise, including litigation, affecting the Fund and any legal obligation which the Trust may have to indemnify its officers and Trustees with respect thereto. Any officers or employees of OMC (or any entity controlling, controlled by, or under common control with OMC) who also serve as officers, Trustees or employees of the Fund shall not receive any compensation

4

from the Fund thereof for their services.

5. COMPENSATION OF OMC:

The Trust agrees to pay OMC and OMC agrees to accept as full compensation for the performance of all functions and duties on its part to be performed pursuant to the provisions hereof, a fee computed on the total net asset value of the Fund as of the close of each business day and payable monthly at the annual rate for each Series set forth on Schedule A hereto.

6. USE OF NAME "OPPENHEIMER":

OMC hereby grants to the Trust a royalty-free, non-exclusive license to use the name "Oppenheimer" in the name of the Trust or Fund for the duration of this Agreement and any extensions or renewals thereof. To the extent necessary to protect OMC's rights to the name "Oppenheimer" under applicable law, such license shall allow OMC to inspect and, subject to control by the Trust's Board, control the nature and quality of services offered by the Fund under such name and may, upon termination of this Agreement, be terminated by OMC, in which event the Trust shall promptly take whatever action may be necessary to change its name and discontinue any further use of the name "Oppenheimer" in the name of the Trust or otherwise. The name "Oppenheimer" may be used or licensed by OMC in connection with any of its activities, or licensed by OMC to any other party.

7. PORTFOLIO TRANSACTIONS AND BROKERAGE:

(a) OMC (and any Sub Advisor) is authorized, in arranging the purchase and sale of the portfolio securities and other investments of the Fund to employ or deal with such members of securities or commodities exchanges, brokers or dealers (hereinafter "broker-dealers"), including "affiliated" broker-dealers (as that term is defined in the Investment Company Act), as may, in its best judgment, implement the policy of the Fund to obtain, at reasonable expense, the "best

5

execution" (prompt and reliable execution at the most favorable security price obtainable) of the portfolio transactions of the Fund as well as to obtain, consistent with the provisions of subparagraph (c) of this paragraph 7, the benefit of such investment information or research as will be of significant assistance to the performance by OMC (and any Sub Advisor) of its (their) investment management functions.

(b) OMC (and any Sub Advisor) shall select broker-dealers to effect the portfolio transactions of the Fund on the basis of its estimate of their ability to obtain best execution of particular and related portfolio transactions. The

abilities of a broker-dealer to obtain best execution of particular portfolio transaction(s) will be judged by OMC (or any Sub Advisor) on the basis of all relevant factors and considerations including, insofar as feasible, the execution capabilities required by the transaction or transactions; the ability and willingness of the broker-dealer to facilitate the portfolio transactions of the Fund by participating therein for its own account; the importance to the Fund of speed, efficiency or confidentiality; the broker-dealer's apparent familiarity with sources from or to whom particular securities or other investments might be purchased or sold; as well as any other matters relevant to the selection of a broker-dealer for particular and related transactions of the Fund.

(c) OMC (and any Sub Advisor) shall have discretion, in the interests of the Fund, to allocate brokerage on the portfolio transactions of the Fund to broker-dealers, other than an affiliated broker-dealer, qualified to obtain best execution of such transactions who provide brokerage and/or research services (as such services are defined in Section 28(e)(3) of the Securities Exchange Act of 1934) for the Fund and/or other accounts for which OMC or its affiliates (or any Sub Advisor) exercise "investment discretion" (as that term is defined in Section 3(a)(35) of the Securities Exchange Act of 1934) and to cause the Fund to pay such broker-dealers a

6

commission for effecting a portfolio transaction for the Fund that is in excess of the amount of commission another broker-dealer adequately qualified to effect such transaction would have charged for effecting that transaction, if OMC (or any Sub Advisor) determines, in good faith, that such commission is reasonable in relation to the value of the brokerage and/or research services provided by such broker-dealer viewed in terms of either that particular transaction or the overall responsibilities of OMC or its affiliates (or any Sub Advisor) with respect to accounts as to which they exercise investment discretion. In reaching such determination, OMC (or any Sub Advisor) will not be required to place or attempt to place a specific dollar value on the brokerage and/or research services provided or being provided by such broker-dealer. In demonstrating that such determinations were made in good faith, OMC (and any Sub Advisor) shall be prepared to show that all commissions were allocated for purposes contemplated by this Agreement and that the total commissions paid by the Fund over a representative period selected by the Fund's Trustees were reasonable in relation to the benefits to the Fund.

(d) OMC (or any Sub Advisor) shall have no duty or obligation to seek advance competitive bidding for the most favorable commission rate applicable to any particular portfolio transactions or to select any broker-dealer on the basis of its purported or "posted" commission rate but will, to the best of its ability, endeavor to be aware of the current level of the charges of eligible broker-dealers and to minimize the expense incurred by the Fund for effecting its portfolio transactions to the extent consistent with the interests and

policies of the Fund as established by the determinations of the Board of Trustees of the Trust and the provisions of this paragraph 7.

(e) The Fund recognizes that an affiliated broker-dealer: (i) may act as one of the Fund's regular brokers for the Fund so long as it is lawful for it so to act; (ii) may be a major recipient of brokerage commissions paid by the Fund; and (iii) may effect portfolio transactions for

7

the Fund only if the commissions, fees or other remuneration received or to be received by it are determined in accordance with procedures contemplated by any rule, regulation or order adopted under the Investment Company Act to be within the permissible level of such commissions.

(f) Subject to the foregoing provisions of this paragraph 7, OMC (and any Sub Advisor) may also consider sales of Shares of the Fund and the other funds advised by OMC and its affiliates as a factor in the selection of broker-dealers for its portfolio transactions.

8. DURATION:

This Agreement will take effect on the date first set forth above. Unless earlier terminated pursuant to paragraph 10 hereof, this Agreement shall remain in effect for a period of two (2) years and thereafter from year to year, so long as such continuance shall be approved at least annually by the Trust's Board of Trustees, including the vote of the majority of the Trustees of the Fund who are not parties to this Agreement or "interested persons" (as defined in the Investment Fund Act) of any such party, cast in person at a meeting called for the purpose of voting on such approval, or by the holders of a "majority" (as defined in the Investment Fund Act) of the outstanding voting securities of the Fund and by such a vote of the Fund's Board of Trustees.

9. DISCLAIMER OF SHAREHOLDER OR TRUSTEE LIABILITY:

OMC understands and agrees that the obligations of the Fund under this Agreement are not binding upon any shareholder or Trustee of the Fund personally, but bind only the Trust and the Trust's property; OMC represents that it has notice of the provisions of the Declaration of Trust of the Trust disclaiming shareholder or Trustee liability for acts or obligations of the Trust.

10. TERMINATION.

This Agreement may be terminated (i) by OMC at any time without penalty upon sixty days' written notice to the Trust (which notice may be waived by the Trust); or (ii) by the Trust

at any time without penalty upon sixty days' written notice to OMC (which notice may be waived by OMC) provided that such termination by the Trust shall be directed or approved by the vote of a majority of all of the Trustees of the Trust then in office or by the vote of the holders of a "majority" of the outstanding voting securities of the Trust (as defined in the Investment Company Act).

11. ASSIGNMENT OR AMENDMENT:

This Agreement may not be amended, or the rights of OMC hereunder sold, transferred, pledged or otherwise in any manner encumbered without the affirmative vote or written consent of the holders of the "majority" of the outstanding voting securities of the Fund. This Agreement shall automatically and immediately terminate in the event of its "assignment," as defined in the Investment Company Act.

12. DEFINITIONS:

The terms and provisions of the Agreement shall be interpreted and defined in a manner consistent with the provisions and definitions contained in the Investment Company Act.

13. ACCOUNTING, ADMINISTRATION AND RECORDKEEPING AGREEMENT:

Notwithstanding any provision of this Agreement to the contrary, OMC is not required under this Agreement to perform for the Fund any duties or functions set forth in the Accounting, Administration and Recordkeeping Agreement between the Fund and OMC.

ROCHESTER FUND SERIES, on behalf of
THE BOND FUND FOR GROWTH

By: /s/ MICHAEL S. ROSEN

Title: Vice President

OPPENHEIMER MANAGEMENT
CORPORATION

By: /s/ ANDREW J. DONOHUE

Andrew J. Donohue
Executive Vice President

SCHEDULE A
TO
INVESTMENT ADVISORY AGREEMENT
BETWEEN
THE BOND FUND FOR GROWTH
AND
OPPENHEIMER MANAGEMENT CORPORATION

ANNUAL FEE AS A PERCENTAGE OF DAILY TOTAL NET ASSETS
=====

0.625% of the first \$50 million of average daily net assets

0.500% of the next \$250 million of average daily net assets

0.4375% of average daily net assets over \$300 million

EXHIBIT 6(a)

GENERAL DISTRIBUTOR'S AGREEMENT

BETWEEN

ROCHESTER FUND SERIES
THE BOND FUND FOR GROWTH

AND

OPPENHEIMER FUNDS DISTRIBUTOR, INC.

Date: January 4, 1996

OPPENHEIMER FUNDS DISTRIBUTOR, INC.
Two World Trade Center, Suite 3400
New York, NY 10048-0203

Dear Sirs:

ROCHESTER FUND SERIES, a Massachusetts business trust (the "Fund"), is registered as an investment company under the Investment Company Act of 1940 (the "1940 Act"), consisting of one portfolio, The Bond Fund For Growth, and an indefinite number of one or more classes of its shares of beneficial interest ("Shares") have been registered under the Securities Act of 1933 (the "1933 Act") to be offered for sale to the public in a continuous public offering in accordance with the terms and conditions set forth in the Prospectus and Statement of Additional Information ("SAI") included in the Fund's Registration Statement as it may be amended from time to time (the "current Prospectus and/or SAI").

In this connection, the Fund desires that your firm (the "General Distributor") act in a principal capacity as General Distributor for the sale and distribution of Shares which have been registered as described above and of any additional Shares which may become registered during the term of this Agreement. You have advised the Fund that you are willing to act as such General Distributor, and it is accordingly agreed by and between us as follows:

1. APPOINTMENT OF THE DISTRIBUTOR. The Fund hereby appoints you as the sole General Distributor, pursuant to the aforesaid continuous public offering of its Shares, and the Fund further agrees from and after the date of this Agreement, that it will not, without your consent, sell or agree to sell any Shares otherwise than through you, except (a) the Fund may itself sell Shares without

sales charge as an investment to the officers, trustees or directors and bona fide present and former full-time employees of the Fund, the Fund's Investment Adviser and affiliates thereof, and to other investors who are identified in the current Prospectus and/or SAI as having the privilege to buy Shares at net asset value; (b) the Fund may issue Shares in connection with a merger,

consolidation or acquisition of assets on such basis as may be authorized or permitted under the 1940 Act; (c) the Fund may issue Shares for the reinvestment of dividends and other distributions of the Fund or of any other Fund if permitted by the current Prospectus and/or SAI; and (d) the Fund may issue Shares as underlying securities of a unit investment trust if such unit investment trust has elected to use Shares as an underlying investment; provided that in no event as to any of the foregoing exceptions shall Shares be issued and sold at less than the then-existing net asset value.

2. SALE OF SHARES. You hereby accept such appointment and agree to use your best efforts to sell Shares, provided, however, that when requested by the Fund at any time because of market or other economic considerations or abnormal circumstances of any kind, or when agreed to by mutual consent of the Fund and the General Distributor, you will suspend such efforts. The Fund may also withdraw the offering of Shares at any time when required by the provisions of any statute, order, rule or regulation of any governmental body having jurisdiction. It is understood that you do not undertake to sell all or any specific number of Shares.

3. SALES CHARGE. Shares shall be sold by you at net asset value plus a front-end sales charge not in excess of 8.5% of the offering price, but which front-end sales charge shall be proportionately reduced or eliminated for larger sales and under other circumstances, in each case on the basis set forth in the Fund's current Prospectus and/or SAI. The redemption proceeds of shares offered and sold at net asset value with or without a front-end sales charge may be subject to a contingent deferred sales charge ("CDSC") under the circumstances described in the current Prospectus and/or SAI. You may reallow such portion of the front-end sales charge to dealers or cause payment (which may exceed the front-end sales charge, if any) of commissions to brokers through which sales are made, as you may determine, and you may pay such amounts to dealers and brokers on sales of shares from your own resources (such dealers and brokers shall collectively include all domestic or foreign institutions eligible to offer and sell the Shares), and in the event the Fund has more than one class of Shares outstanding, then you may impose a front-end sales charge and/or a CDSC on Shares of one class that is different from the charges imposed on Shares of the Fund's other class(es), in each case as set forth in the current Prospectus and/or SAI, provided the front-end sales charge and CDSC to the ultimate purchaser do not exceed the respective levels set forth for such category of purchaser in the Fund's current Prospectus and/or SAI.

4. PURCHASE OF SHARES.

- (a) As General Distributor, you shall have the right to accept or reject orders for the purchase of Shares at your discretion. Any consideration which you may receive in connection with a rejected purchase order will be returned promptly.
- (b) You agree promptly to issue or to cause the duly appointed transfer or shareholder servicing agent of the Fund to issue as your agent confirmations of all accepted purchase orders and to transmit a copy of such confirmations to the Fund. The net asset value of all Shares which are the

2

subject of such confirmations, computed in accordance with the applicable rules under the 1940 Act, shall be a liability of the General Distributor to the Fund to be paid promptly after receipt of payment from the originating dealer or broker (or investor, in the case of direct purchases) and not later than eleven business days after such confirmation even if you have not actually received payment from the originating dealer or broker or investor. In no event shall the General Distributor make payment to the Fund later than permitted by applicable rules of the National Association of Securities Dealers, Inc.

- (c) If the originating dealer or broker shall fail to make timely settlement of its purchase order in accordance with applicable rules of the National Association of Securities Dealers, Inc., or if a direct purchaser shall fail to make good payment for shares in a timely manner, you shall have the right to cancel such purchase order and, at your account and risk, to hold responsible the originating dealer or broker, or investor. You agree promptly to reimburse the Fund for losses suffered by it that are attributable to any such cancellation, or to errors on your part in relation to the effective date of accepted purchase orders, limited to the amount that such losses exceed contemporaneous gains realized by the Fund for either of such reasons with respect to other purchase orders.
- (d) In the case of a canceled purchase for the account of a directly purchasing shareholder, the Fund agrees that if such investor fails to make you whole for any loss you pay to the Fund on such canceled purchase order, the Fund will reimburse you for such loss to the extent of the aggregate redemption proceeds of any other shares of the Fund owned by such investor, on your demand that the Fund exercise its right to claim such redemption proceeds. The Fund shall register or cause to be registered all Shares sold to you pursuant to the provisions hereof in such names and amounts as you may request from time to time and the Fund shall issue or cause to be issued certificates evidencing such Shares for delivery to you or

pursuant to your direction if and to the extent that the shareholder account in question contemplates the issuance of such certificates. All Shares when so issued and paid for, shall be fully paid and non-assessable by the Fund (which shall not prevent the imposition of any CDSC that may apply) to the extent set forth in the current Prospectus and/or SAI.

5. REPURCHASE OF SHARES.

- (a) In connection with the repurchase of Shares, you are appointed and shall act as Agent of the Fund. You are authorized, for so long as you act as General Distributor of the Fund, to repurchase, from authorized dealers, certificated or uncertificated shares of the Fund ("Shares") on the basis of orders received from each dealer ("authorized dealer") with which you have

3

a dealer agreement for the sale of Shares and permitting resales of Shares to you, provided that such authorized dealer, at the time of placing such resale order, shall represent (i) if such Shares are represented by certificate(s), that certificate(s) for the Shares to be repurchased have been delivered to it by the registered owner with a request for the redemption of such Shares executed in the manner and with the signature guarantee required by the then-currently effective Prospectus of the Fund, or (ii) if such Shares are uncertificated, that the registered owner(s) has delivered to the dealer a request for the redemption of such Shares executed in the manner and with the signature guarantee required by the then-currently effective Prospectus of the Fund.

- (b) You shall (a) have the right in your discretion to accept or reject orders for the repurchase of Shares; (b) promptly transmit confirmations of all accepted repurchase orders; and (c) transmit a copy of such confirmation to the Fund, or, if so directed, to any duly appointed transfer or shareholder servicing agent of the Fund. In your discretion, you may accept repurchase requests made by a financially responsible dealer which provides you with indemnification in form satisfactory to you in consideration of your acceptance of such dealer's request in lieu of the written redemption request of the owner of the account; you agree that the Fund shall be a third party beneficiary of such indemnification.
- (c) Upon receipt by the Fund or its duly appointed transfer or shareholder servicing agent of any certificate(s) (if any has been issued) for repurchased Shares and a written redemption request of the registered owner(s) of such Shares executed in the manner and bearing the signature guarantee required by the then-currently effective Prospectus or SAI of the Fund, the Fund will pay or cause

its duly appointed transfer or shareholder servicing agent promptly to pay to the originating authorized dealer the redemption price of the repurchased Shares (other than repurchased Shares subject to the provisions of part (d) of Section 5 of this Agreement) next determined after your receipt of the dealer's repurchase order.

- (d) Notwithstanding the provisions of part (c) of Section 5 of this Agreement, repurchase orders received from an authorized dealer after the determination of the Fund's redemption price on a regular business day will receive that day's redemption price if the request to the dealer by its customer to arrange such repurchase prior to the determination of the Fund's redemption price that day complies with the requirements governing such requests as stated in the current Prospectus and/or SAI of the Fund.
- (e) You will make every reasonable effort and take all reasonably available measures to assure the accurate performance of all services to be performed by you hereunder within the requirements of any statute, rule or

4

regulation pertaining to the redemption of shares of a regulated investment company and any requirements set forth in the then-current Prospectus and/or SAI of the Fund. You shall correct any error or omission made by you in the performance of your duties hereunder of which you shall have received notice in writing and any necessary substantiating data; and you shall hold the Fund harmless from the effect of any errors or omissions which might cause an over- or under-redemption of the Fund's Shares and/or an excess or non-payment of dividends, capital gains distributions, or other distributions.

- (f) In the event an authorized dealer initiating a repurchase order shall fail to make delivery or otherwise settle such order in accordance with the rules of the National Association of Securities Dealers, Inc., you shall have the right to cancel such repurchase order and, at your account and risk, to hold responsible the originating dealer. In the event that any cancellation of a Share repurchase order or any error in the timing of the acceptance of a Share repurchase order shall result in a gain or loss to the Fund, you agree promptly to reimburse the Fund for any amount by which any loss shall exceed then-existing gains so arising.

6. 1933 ACT REGISTRATION. The Fund has delivered to you a copy of its current Prospectus and SAI. The Fund agrees that it will use its best efforts to continue the effectiveness of the Registration Statement under the 1933 Act. The Fund further agrees to prepare and file any amendments to its Registration Statement as may be necessary and any supplemental data in order to comply with

the 1933 Act. The Fund will furnish you at your expense with a reasonable number of copies of the Prospectus and SAI and any amendments thereto for use in connection with the sale of Shares.

7. 1940 ACT REGISTRATION. The Fund has already registered under the 1940 Act as an investment company, and it will use its best efforts to maintain such registration and to comply with the requirements of the 1940 Act.

8. STATE BLUE SKY QUALIFICATION. At your request, the Fund will take such steps and pay such fees and expenses as may be necessary and feasible to qualify Shares for sale in states, territories or dependencies of the United States, the District of Columbia, the Commonwealth of Puerto Rico and in foreign countries, in accordance with the laws thereof, and to renew or extend any such qualification; provided, however, that the Fund shall not be required to qualify shares or to maintain the qualification of shares in any jurisdiction where it shall deem such qualification disadvantageous to the Fund.

9. DUTIES OF DISTRIBUTOR. You agree that:

(a) Neither you nor any of your officers will take any long or short position in the Shares, but this provision shall not prevent you or your officers from acquiring Shares for investment purposes only; and

5

(b) You shall furnish to the Fund any pertinent information required to be inserted with respect to you as General Distributor within the purview of the Securities Act of 1933 in any reports or registrations required to be filed with any governmental authority; and

(c) You will not make any representations inconsistent with the information contained in the current Prospectus and/or SAI; and

(d) You shall maintain such records as may be reasonably required for the Fund or its transfer or shareholder servicing agent to respond to shareholder requests or complaints, and to permit the Fund to maintain proper accounting records, and you shall make such records available to the Fund and its transfer agent or shareholder servicing agent upon request; and

(e) In performing under this Agreement, you shall comply with all requirements of the Fund's current Prospectus and/or SAI and all applicable laws, rules and regulations with respect to the purchase, sale and distribution of Shares.

10. ALLOCATION OF COSTS. The Fund shall pay the cost of composition and

printing of sufficient copies of its Prospectus and SAI as shall be required for periodic distribution to its shareholders and the expense of registering Shares for sale under federal securities laws. You shall pay the expenses normally attributable to the sale of Shares, other than as paid under the Fund's distribution plans under Rule 12b-1 of the 1940 Act, including the cost of printing and mailing of the Prospectus (other than those furnished to existing shareholders) and any sales literature used by you in the public sale of the Shares.

11. DURATION. This Agreement shall take effect on the date first written above, and shall supersede any and all prior General Distributor's Agreements by and among the Fund and you. Unless earlier terminated pursuant to paragraph 12 hereof, this Agreement shall remain in effect until September 30, 1997. This Agreement shall continue in effect from year to year thereafter, provided that such continuance shall be specifically approved at least annually: (a) by the Fund's Board of Trustees or by vote of a majority of the voting securities of the Fund; and (b) by the vote of a majority of the Trustees, who are not parties to this Agreement or "interested persons" (as defined in the 1940 Act) of any such person, cast in person at a meeting called for the purpose of voting on such approval.

12. TERMINATION. This Agreement may be terminated (a) by the General Distributor at any time without penalty by giving sixty days' written notice (which notice may be waived by the Fund); (b) by the Fund at any time without penalty upon sixty days' written notice to the General Distributor (which notice may be waived by the General Distributor); or (c) by mutual consent of the Fund and the General Distributor, provided that such termination by the Fund pursuant to part (b) of this Section 12 shall be directed or approved by the Board of Trustees of the Fund or by the vote of the holders of a "majority" of the outstanding voting securities of the Fund. In the event this Agreement is terminated, the General Distributor shall be entitled to be paid the CDSC under

6

paragraph 3 hereof on the redemption proceeds of Shares sold prior to the effective date of such termination.

13. ASSIGNMENT. This Agreement may not be amended or changed except in writing and shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors; however, this Agreement shall not be assigned by either party and shall automatically terminate upon assignment.

14. DISCLAIMER OF SHAREHOLDER LIABILITY. The General Distributor understands and agrees that the obligations of the Fund under this Agreement are not binding upon any Trustee or shareholder of the Fund personally, but bind only the Fund and the Fund's property; the General Distributor represents that it has notice of the provisions of the Declaration of Trust of the Fund disclaiming Trustee and shareholder liability for acts or obligations of the Fund.

15. SECTION HEADINGS. The heading of each section is for descriptive purposes only, and such headings are not to be construed or interpreted as part of this Agreement.

If the foregoing is in accordance with your understanding, so indicate by signing in the space provided below.

ROCHESTER FUND SERIES, on behalf of
THE BOND FUND FOR GROWTH

By: /s/ MICHAEL S. ROSEN

Michael S. Rosen, Vice President

Accepted:

OPPENHEIMER FUNDS DISTRIBUTOR, INC.

By /s/ ANDREW J. DONOHUE

Andrew J. Donohue
Executive Vice President

EXHIBIT 9(a)

ROCHESTER FUND SERIES
350 Linden Oaks
Rochester, N.Y. 14625

Rochester Fund Services, Inc.
350 Linden Oaks
Rochester, NY 14625
Attn: Mr. Michael S. Rosen, Vice President

Oppenheimer Management Corporation
2 World Trade Center
New York, NY 10048-0203
Attn: Andrew Donohue

Re: Accounting, Administration & Recordkeeping Agreement

Pursuant to Section 20 of the Accounting, Administration and Recordkeeping Agreement between Rochester Fund Municipals and Rochester Fund Services, Inc., this will serve as the funds written consent to the assignment of that agreement from Rochester Fund Services, Inc. to Oppenheimer Management Corporation.

ROCHESTER FUND SERIES

By: /s/ RONALD H. FIELDING

Ronald H. Fielding, President

ACCOUNTING, ADMINISTRATION AND RECORDKEEPING AGREEMENT
BETWEEN
ROCHESTER FUND SERIES
AND
ROCHESTER FUND SERVICES, INC.

THIS AGREEMENT is made as of the 15th day of April __, 1994, by and between ROCHESTER FUND SERIES ("Fund"), a Massachusetts business trust, on behalf of The Bond Fund For Growth and such other series of the Fund as the Fund may add from time to time, and ROCHESTER FUND SERVICES, INC. ("Agent"), a New York corporation. Each reference herein to the Fund shall, where appropriate, relate to the series thereof.

WHEREAS, the Fund is registered as an open-end management investment company under the Investment Company Act of 1940, as amended ("1940 Act"), and as a transfer agent under the Securities Exchange Act of 1934, as amended ("1934 Act"); and

WHEREAS, the Fund wishes to retain the Agent to provide certain Fund accounting, administration and shareholder recordkeeping services other than those services specified in Section 3(a)(25) of the 1934 Act, and the Agent is willing to furnish such services;

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained, it is agreed between the parties hereto as follows:

1. APPOINTMENT. The Fund hereby appoints the Agent to provide certain accounting services for the Fund and to provide certain administration and recordkeeping services for the holders of shares of beneficial interest ("Shares") in the Fund ("Shareholders") for the period and on the terms set forth in this Agreement. The Agent accepts such appointment and agrees to furnish the services herein set forth in return for the compensation as provided in Paragraph 12 of this Agreement. The Fund and the Agent agree that nothing contained in this Agreement is intended to require the Agent to perform any activity specified in Section 3(a)(25) of the 1934 Act.

2. DELIVERY OF DOCUMENTS. The Fund has made available to the Agent (or has furnished the Agent with) properly certified or authenticated copies, with all amendments or supplements thereto, of the following documents:

(a) Agreement and Declaration of Trust of the Fund;

(b) By-Laws of the Fund;

(c) Resolutions of the Fund's Board of Trustees appointing the Agent and approving the form of this Agreement; and

(d) Resolutions of the Fund's Board of Trustees designating certain of its officers to give instructions on behalf of the Fund to the Agent and authorizing the Agent to rely upon Proper Instructions (as hereinafter defined).

3. AUTHORIZED PERSONS. Concurrently with the execution of this Agreement, the Fund shall deliver to the Agent a certificate, or such other certificate as may be received by the Agent from time to time, setting forth the names, titles and signatures of such persons authorized to give Proper Instructions or any other notice, request, direction, instruction, certificate or instrument on behalf of the Fund ("Authorized Persons"). Such certificate may be accepted and reasonably relied upon by the Agent as conclusive evidence of the facts set forth therein and shall be considered to be in full force and effect until delivery to the Agent of a similar certificate to the contrary. Upon delivery of a certificate that deletes the name of a person previously authorized to give Proper Instructions, such person shall no longer be considered an Authorized

Person.

4. PROPER INSTRUCTIONS.

(a) Unless otherwise provided in this Agreement, the Agent shall act only upon Proper Instructions. "Proper Instructions" shall mean: (i) a tested telex from the Fund; (ii) other communications effected directly between electro-mechanical or electronic devices or systems, provided that the Agent and the Fund agree to the use of such device or system; (iii) a written request, direction, instruction or certification signed or initialed on behalf of the Fund by one or more Authorized Persons; or (iv) telephonic or other oral instructions given by any Authorized Person that the Agent reasonably believes to have been given by a person authorized to give such instructions. Proper Instructions may be in the form of standing instructions.

(b) Oral instructions will be confirmed by tested telex or in writing in the manner set forth above by the close of business on the same day that oral instructions are given to the Agent, but the lack of such confirmation shall in no way affect any action taken by the Agent in reasonable reliance upon such oral instructions.

(c) The Agent may assume that any Proper Instructions received hereunder are not in any way inconsistent with any provisions of the Agreement and Declaration of Trust or By-Laws or any vote, resolution or proceeding of the Fund's

-2-

Shareholders, or of the Board of Trustees or of any committees thereof. The Agent shall be entitled reasonably to rely upon any Proper Instructions actually received by it pursuant to this Agreement. The sole obligation of the Agent with respect to any follow-up or confirmatory instruction shall be to make reasonable efforts to detect any discrepancy between said instruction and the original Proper Instruction and to advise the Fund accordingly.

5. FUND ACCOUNTING SERVICES.

(a) Daily Activities. The Agent will perform the following accounting functions on a daily basis:

- (1) Journalize the Fund's investment, capital share and income and expense activities;
- (2) Verify investment buy/sell trade tickets received from the Fund's investment adviser and transmit trades to the Fund for transmittal for proper settlement;
- (3) Maintain individual ledgers for investment securities;

- (4) Maintain historical tax lots for each security;
- (5) Reconcile Share activity and outstanding Share balances with the transfer agent;
- (6) Update the cash availability throughout the day as required by the Fund's investment adviser;
- (7) Post to and prepare the Fund's Statement of Assets and Liabilities and the Statement of Operations;
- (8) Calculate various contractual expenses (e.g., advisory and custody fees);
- (9) Monitor the expense accruals and notify Fund management of any proposed adjustments;
- (10) Calculate capital gains and losses;
- (11) Determine the Fund's net income;
- (12) Obtain security market quotations from Quotron Financial Information Services or such other services approved by the Fund's investment adviser, or if such quotes are unavailable, then obtain such prices from the Fund's investment adviser, and in either case calculate the market value of the Fund's investments;

-3-

(13) Value the assets of the Fund and compute the net asset value per share of the Fund at such times and dates and in the manner specified in the Fund's current prospectus;

(14) Provide a copy of the daily portfolio valuation to the Fund's investment adviser; and

(15) Compute the Fund's yield, total return, expense ratio, portfolio turnover rate and daily dividend factor and disseminate as agreed upon by the parties hereto.

(b) Monthly Activities. On the first business day following the end of each month, the Fund shall cause the Fund's custodian to prepare and forward to the Agent, within three business days following the end of each such month, a monthly statement of cash and portfolio transactions, which the Agent will reconcile with the Agent's accounts and records maintained for the Fund. Within three business days following the Agent's receipt of the monthly statement provided by the Fund's custodian, the Agent will provide a written report of any discrepancies to the Fund's custodian, and will provide a written report of any

unreconciled items to the Fund.

(c) Other Activities. In addition to the foregoing accounting services, the Agent will:

- (1) Prepare monthly financial statements, which will include a (i) schedule of investments, (ii) statement of assets and liabilities, (iii) statement of operations, (iv) statement of changes in net assets, (v) cash statement, and (vi) schedule of capital gains and losses;
- (2) Prepare quarterly broker security transactions summaries;
- (3) Supply various Fund statistical data as reasonably requested by the Fund on an ongoing basis;
- (4) Assist in the preparation of support schedules necessary for completion of the Fund's federal, state and, if applicable, excise tax returns;
- (5) Assist in the preparation of the Fund's semi-annual reports with the Securities and Exchange Commission ("SEC") on Form N-SAR;
- (6) Assist in the preparation of the Fund's annual and semi-annual Shareholder reports and any proxy statements;

-4-

(7) Assist in the preparation of registration statements on Form N-1A and other filings relating to the registration of the Fund's Shares;

(8) Act as liaison with the Fund's independent certified public accountants and provide account analyses, fiscal year summaries, and other audit related schedules, and take all reasonable action in the performance of its obligations under this Agreement to assure that the necessary information is made available to such accountants for the expression of their opinion, as such may be required by the Fund from time to time; and

(9) Render such other similar services as may be reasonably requested by the Fund.

6. ADMINISTRATION AND SHAREHOLDER RECORDKEEPING SERVICES. The Agent shall perform the following administration and recordkeeping services:

(a) General. The Agent will establish one or more accounts with the Fund's custodian for the prompt deposit of funds received in

connection with the Agent's activities hereunder.

(b) Purchases. The Agent shall act as agent for the Fund and/or the Fund's principal underwriter for the purpose of receiving and accepting orders and payment for the purchase of Shares in accordance with the Fund's prospectus as amended from time to time. If such purchase orders comply with the procedures as may be described in the Fund's current prospectus or as set forth in Proper Instructions, the Agent shall promptly deliver payment and appropriate documentation therefor to the Fund. If any check or other order for the purchase of Shares is returned to the Agent unpaid for any reason, the Agent shall promptly deliver such check or order to the Fund for further action.

(c) Redemptions. The Agent shall act as agent for the Fund and/or the Fund's principal underwriter for purposes of receiving and accepting redemption requests and redemption directions in accordance with the Fund's prospectus as amended from time to time. If such redemption requests and directions comply with the procedures as may be described in the Fund's current prospectus or as set forth in Proper Instructions, the Agent shall deliver the appropriate instructions therefor to the Fund. If any such request for redemption does not comply with the procedures for redemption approved by the Fund, the Agent shall promptly notify the Shareholder and the Fund of such fact, together with the reason therefor.

(d) Exchanges and Transfers. The Agent shall act as agent for the Fund and/or the Fund's principal underwriter for

-5-

purposes of receiving and accepting exchange and transfer requests and exchange and transfer directions in accordance with the Fund's prospectus, as amended from time to time. If such requests and directions comply with the procedures as may be described in the Fund's current prospectus or as set forth in Proper Instructions, the Agent shall deliver the appropriate instructions therefor to the Fund. If any such request for exchange or transfer does not comply with the procedures for exchange or transfer as approved by the Fund, the Agent shall promptly notify the Shareholder and the Fund of such fact, together with the reason therefor.

(e) Recordkeeping.

(1) The Agent shall record the issuance, transfer, redemption and exchange of Shares and the issuance and transfer of Share certificates, and shall maintain pursuant to applicable rules and regulations of the SEC a record of the total number of Shares of the Fund that are authorized, based upon data provided to it by the Fund as transfer agent, and issued and outstanding. The

Agent shall also maintain an account entitled "Unissued Certificate Account" in which it will record the Shares issued and outstanding from time to time for which the issuance of Share certificates by the Fund is deferred. The Agent shall provide the Fund on a regular basis or upon reasonable request the total number of Shares that are authorized and issued and outstanding, but shall have no obligation, when recording the issuance of Shares, except as otherwise set forth herein, to monitor the issuance of such Shares or to take cognizance of any laws relating to the issue or sale of such Shares, which functions shall be the sole responsibility of the Fund.

(2) The Agent shall establish and maintain records pursuant to applicable rules and regulations of the SEC relating to the services to be performed hereunder in the form and manner agreed to by the Fund, including a record for each Shareholder's account of the following:

(i) Name, address and tax identifying number;

(ii) Number of Shares and fractional Shares held;

(iii) Historical information as to the account, including dividends paid and date and price for all transactions;

(iv) Any stop or restraining order placed against the account;

-6-

(v) Information with respect to withholdings in the case of a foreign account or an account for which withholding is required by the Internal Revenue Code;

(vi) Any dividend reinvestment order, plan application, dividend address and correspondence relating to the current maintenance of the account;

(vii) Certificate numbers and denominations for any Shareholder holding certificates; and

(viii) Any information required in order for the Agent to perform the calculations contemplated or required by this Agreement.

(f) Reports.

(1) The Agent shall furnish periodically to the Fund, as well as to the appropriate agent of the Fund designated by the Fund

for the receipt of such information, the following information:

(i) The total number of Shares issued and outstanding (including a breakdown of the total number of Shares issued and outstanding in each state for Blue Sky purposes) as determined according to Proper Instructions delivered from time to time by the Fund to the Agent;

(ii) Shareholder lists and statistical information; and

(iii) Such other information as may be agreed upon from time to time.

(2) The Agent shall prepare and file with the Internal Revenue Service and appropriate state agencies, and, if required, mail to Shareholders, such forms or notices for reporting dividends and distributions paid as are required to be so filed and mailed.

(g) Other Duties. In addition to and not in lieu of the services set forth above, the Agent shall prepare Shareholder meeting lists, mail proxies and other material supplied to it by the Fund in connection with Shareholder meetings, receive and tabulate proxies, mail Shareholder reports and prospectuses to current Shareholders, prepare and mail confirmation forms and statements of account to Shareholders for all purchases and redemptions of Shares and other confirmable transactions in Shareholder accounts, prepare and mail activity statements for Shareholders, provide Shareholder

-7-

account information, answer inquiries from Shareholders regarding their Share accounts or the Fund (or, if more properly responded to by the transfer agent or distributor, refer the inquiry to the appropriate person), and supervise the activities of the Fund's custodian and the Fund's activities as transfer agent.

7. RECORDS. The Agent shall create and maintain all necessary books and records in accordance with all applicable laws, rules and regulations, including, but not limited, to records required by Section 31(a) of the 1940 Act and the rules thereunder, as the same may be amended from time to time, pertaining to the services performed by it and not otherwise created and maintained by another party pursuant to contract with the Fund. Such books and records which are in the possession of the Agent shall be the property of the Fund. The Fund, or the Fund's authorized representatives, shall have access to such books and records at all times during the Agent's normal business hours. Upon the reasonable request of the Fund, copies of any such books and records shall be provided by the Agent to the Fund or the Fund's authorized representatives at the Fund's expense.

8. INFORMATION TO BE PROVIDED TO AGENT. The Fund shall provide, and shall require each of its agents (including, without limitation, its custodian and distributor) to provide, to the Agent, in a timely fashion all data and information necessary for the Agent to maintain the Fund's accounts, books and records as required by this Agreement.

9. CONFIDENTIALITY. The Agent agrees on behalf of itself and its employees to treat confidentially and as proprietary information of the Fund all books, records and other information relative to the Fund and the Fund's prior, present or potential Shareholders, and not to use such books, records and other information for any purpose other than performance of the Agent's responsibilities and duties hereunder, except, after prior notification to and approval by the Fund, which approval shall not be unreasonably withheld and may not be withheld where the Agent may be exposed to civil or criminal contempt proceedings for failure to comply, when requested to divulge such information by duly constituted authorities, or when so requested by the Fund.

10. RIGHT TO RECEIVE ADVICE.

(a) Advice of the Fund. If the Agent shall be in doubt as to any action to be taken or omitted by it, it may request, and shall promptly receive, from the Fund directions or advice, including Proper Instructions where appropriate.

(b) Advice of Counsel. If the Agent shall be in doubt as to any question of law involved in any action to be taken or omitted by the Agent, it may request advice from qualified

-8-

legal counsel of its own choosing, who is acceptable to the Fund.

(c) Protection of the Agent. The Agent shall be protected in any action that it takes or determines not to take in reasonable reliance on any directions, advice or Proper Instructions received pursuant to subsections (a) or (b) of this paragraph. However, nothing in this paragraph shall be construed as imposing upon the Agent any obligation to seek such directions, advice or Proper Instructions, or to act in accordance with such directions, advice or Proper Instructions when received, unless, under the terms of another provision of this Agreement, the same is a condition to the Agent's properly taking or omitting to take such action. Nothing in this subsection shall excuse the Agent when an action or omission on the part of the Agent constitutes willful misfeasance, willful misconduct, negligence or reckless disregard by the Agent of its duties under this Agreement.

11. COMPLIANCE WITH APPLICABLE REQUIREMENTS. In carrying out its obligations. under this Agreement, the Agent shall at all times conform with all applicable provisions of the Securities Act of 1933, as amended, the 1934 Act and the 1940

Act; any other applicable provisions of state and federal laws, rules and regulations; and the provisions of the Fund's current prospectus, Agreement and Declaration of Trust and By-Laws, all as amended from time to time.

12. FEES AND EXPENSES.

(a) As compensation for the accounting services rendered by the Agent during the term of this Agreement, the Fund will pay to the Agent a minimum annual fee of \$16,500, an additional \$12,000 for accounting services performed with respect to the first \$30,000,000 in net assets and an additional \$9,000 for accounting services performed with respect to each \$30,000,000 in net assets thereafter. As compensation for administration and Shareholder recordkeeping services rendered by the Agent during the term of this Agreement, the Fund will pay to the Agent monthly account maintenance fees of \$2.01 per account.

(b) In addition to the fees paid pursuant to Paragraph 12(a), the Fund agrees to reimburse the Agent for its cash disbursements, expenses and charges in connection with the Agreement (excluding salaries and usual overhead expenses).

(c) The Agent will, on a timely basis, bill the Fund with respect to fees and all amounts for which the Agent is to be reimbursed. The Fund will promptly pay to the Agent the amount of such billing.

-9-

(d) The Agent in its sole discretion may from time to time employ or associate with itself such person or persons as the Agent may believe to be particularly suited to assist it in performing services under this Agreement. Such person or persons may be officers and employees who are employed by both the Fund and the Agent. The compensation of such person or persons shall be paid by the Agent and no obligation shall be incurred on behalf of the Fund.

13. RESPONSIBILITY OF THE AGENT. The Agent shall be under no duty to take any action on behalf of the Fund except as specifically set forth herein or as may be specifically agreed to by the Agent in writing. The Agent shall not be liable for any error in judgment or mistake at law for any loss suffered by the Fund in connection with any matters to which this Agreement relates, but nothing herein contained shall be construed to protect the Agent against any liability by reason of willful misfeasance, willful misconduct, or negligence in the performance of its duties or by reason of its reckless disregard of its obligations and duties under this Agreement. Without limiting the generality of the foregoing or of any other provision of this Agreement, the Agent in connection with its duties under this Agreement shall not be under any duty or obligation to inquire into and shall not be liable for or in respect of:

(a) the validity or invalidity or authority or lack thereof of any Proper Instruction, notice or other instrument which conforms to the applicable

requirements of this Agreement, and which the Agent reasonably believes to be genuine;

(b) delays or errors or loss of data occurring by reason of circumstances beyond the Agent's control, including, without limitation, acts of civil or military authority, national emergencies, labor difficulties, fire, mechanical breakdowns, flood or catastrophe, acts of God, insurrection, war, riots or failure of the mails, transportation, communication or power supply; or

(c) the accuracy of security market quotations provided to Agent by Quotron Financial Information Services or such other service or source designated by the Fund's investment adviser, except when the Fund or investment adviser has given or caused the Agent to be given instructions to utilize a different market value.

In addition, nothing herein shall require the Agent to perform any duties under this Agreement on any day on which the Agent or the New York Stock Exchange, Inc. is closed for business.

-10-

14. STANDARD OF CARE; INDEMNIFICATION.

(a) Standard of Care. The Agent shall be held to a standard of reasonable care in carrying out the provisions of this Agreement; provided, however, that the Agent shall be held to any higher standard of care that would be imposed upon the Agent by any applicable law, rule or regulation even though such standard of care was not part of the Agreement.

(b) Indemnification by the Fund. The Fund agrees to indemnify and hold harmless the Agent and its nominees from all losses, damages, costs, charges, payments, expenses (including reasonable counsel fees), and liabilities arising directly or indirectly from any action or thing that the Agent takes or does or omits to take to do (i) at the request or on the direction of or in reasonable reliance on the written advice of the Fund or (ii) upon Proper Instructions, provided, that neither the Agent nor any of its nominees shall be indemnified against any liability to the Fund or to its Shareholders (or any expenses incident to such liability) arising out of the Agent's own willful misfeasance, willful misconduct, negligence or reckless disregard of its duties and obligations specifically described in this Agreement or its failure to meet the standard of care set forth in Paragraph 14(a).

(c) Indemnification by the Agent. The Agent agrees to indemnify and hold harmless the Fund and its nominees from all losses, damages, costs, charges, payments, expenses (including reasonable counsel fees), and liabilities arising out of or attributed to any action or failure or omission to act by the Agent as a result of the Agent's own willful

misfeasance, willful misconduct, negligence or reckless disregard of its duties and obligations specifically described in this Agreement.

15. INSURANCE. The Agent will at all times maintain in effect insurance coverage, including, without limitation, Fidelity Bond and Electronic Data coverage, at levels of coverage consistent with those customarily maintained by other high quality investor servicing agents for registered investment companies and with such policies as the Board of Trustees of the Fund may from time to time adopt.

16. DURATION AND TERMINATION. This Agreement shall continue until termination by either the Agent or the Fund on sixty days' written notice. In the event that in connection with any such termination a successor to any of the Agent's duties or responsibilities hereunder is designated by the Fund by written notice to the Agent, the Agent will cooperate fully in the transfer of such duties and obligations, including provision for assistance by the Agent's personnel in the establishment of books, records and other data by

-11-

such successor. The Fund will reimburse the Agent for all reasonable expenses incurred by the Agent in connection with such transfer.

17. NOTICES. All notices and other communications, including Proper Instructions (collectively referred to as "Notice" or "Notices" in this paragraph), hereunder shall be in writing or by confirming telegram, cable, telex or facsimile sending device. Notices to the Agent shall be addressed to the Agent at 70 Linden Oaks, Rochester, New York 14625-2804. Notices to the Fund shall also be addressed to the Fund at 70 Linden Oaks, Rochester, New York 14625-2804. All postage, cable, telex, or facsimile sending device charges arising from the sending of a Notice hereunder shall be paid by the sender.

18. FURTHER ACTIONS. Each party agrees to perform such further acts and execute such further documents as are necessary to effectuate the purposes hereof.

19. AMENDMENT; MODIFICATION;. WAIVER. This Agreement or any part hereof may be amended, modified or waived only by an instrument in writing signed by both parties hereto.

20. ASSIGNMENT. Neither this Agreement nor any rights or obligations hereunder may be assigned by either party without the written consent of the other party.

21. COUNTERPARTS. This Agreement may be executed in two counterparts, each of which shall be deemed an original. This Agreement shall become effective when one or two counterparts have been signed and delivered by each of the parties.

22. LIMITATION ON LIABILITY. A copy of the Agreement and Declaration of Trust (including any amendments thereto) of the Fund is on file with the Secretary of the Commonwealth of Massachusetts, and notice is hereby given that this instrument is executed on behalf of the Trustees of the Fund as trustees and not

individually and that the parties agree that obligations of or arising out of this instrument are not binding upon any of the Trustees or officers or Shareholders individually, but binding only upon the assets and property of the Fund.

23. MISCELLANEOUS. This Agreement embodies the entire agreement and understanding between the parties thereto, and supersedes all prior agreements and understandings, relating to the subject matter hereof, provided that the parties hereto may embody in one or more separate documents their agreement, if any, with respect to Proper Instructions. The captions in this Agreement are included for convenience of reference only and in no way define or delimit any of the provisions hereof or otherwise affect their construction or effect. This Agreement shall be deemed to be a contract made in New York and governed by New York law. If any provision of this

-12-

Agreement shall be held or made invalid by a court decision, statute, rule, regulation or otherwise, the remainder of this Agreement shall not be affected thereby. This Agreement shall be binding and shall inure to the benefits of the parties hereto and their respective successors.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers designated below on the day and year first above written.

ROCHESTER FUND SERIES

By: /s/ RONALD H. FIELDING

Ronald H. Fielding
President

ROCHESTER FUND SERVICES, INC.

By: /s/ MICHAEL S. ROSEN

Michael S. Rosen
Vice President

-13-

1. Appointment	1
2. Delivery of Documents	1
3. Authorized Persons	2
4. Proper Instructions	2
5. Fund Accounting Services	3
6. Administration and Shareholder Recordkeeping Services	5
7. Records	8
8. Information to Be Provided to Agent	8
9. Confidentiality	8
10. Right to Receive Advice	8
11. Compliance with Applicable Requirements	9
12. Fees and Expenses	9
13. Responsibility of the Agent	10
14. Standard of Care; Indemnification	11
15. Insurance	11
16. Duration and Termination	11
17. Notices	12
18. Further Actions	12
19. Amendment; Modification; Waiver	12
20. Assignment	12
21. Counterparts	12
22. Limitation on Liability	12
23. Miscellaneous	12

EXHIBIT 9(b)

SERVICE CONTRACT

THIS AGREEMENT is signed this __th day of January, 1996, between ROCHESTER FUND SERIES - THE BOND FUND FOR GROWTH (hereinafter referred to as the "Fund"), a Massachusetts business trust, having its principal place of business at 350 Linden Oaks, Rochester, New York 14625, and OPPENHEIMER SHAREHOLDER SERVICES, (hereinafter referred to as "OSS"), a division of Oppenheimer Management Corporation -- a Colorado corporation, having its principal place of business at 3410 South Galena Street, Denver, Colorado 80231.

WITNESSETH:

WHEREAS, Oppenheimer Management Corporation ("OMC") doing business as OSS, a division of OMC, is a registered transfer agent under Section 17A(c)(1) of the Securities Exchange Act of 1934 and provides registrar and transfer agent, dividend and distribution disbursing agent, redemption agent, clearing agent and exchange agent and service agent services to mutual funds, and

WHEREAS, the Fund desires that OSS perform certain registrar and transfer agency services for the Fund, as more specifically set forth in Schedule A to this Agreement.

THEREFORE, the parties hereto agree as follows:

1. SERVICES TO BE PERFORMED BY OSS

The services to be performed for the Fund by OSS are set forth in Schedule A to this Agreement, which Schedule is incorporated as part of this Agreement. OSS shall perform such services as registrar, transfer agent, dividend and distribution disbursing agent, redemption agent, clearing agent and exchange agent or as service agent for the Fund.

2. FEES AND EXPENSES

A. For performance by OSS pursuant to this Agreement, the Fund agrees on behalf of each of the Portfolios of the Fund to pay OSS the annual basic charge for each shareholder account and the out-of-pocket expenses incurred by OSS as set out in Schedule B attached hereto.

B. The Fund agrees on behalf of each of the Portfolios to pay all fees and reimbursable expenses within five days following the mailing of the respective billing notice.

C. After the third year anniversary of the Agreement, OSS may increase the fees and charges set forth on the attached fee schedule in the following circumstances:

(i) At any time but no more than once a year, OSS may, upon at least ninety (90) days prior written notice, increase its fees or charges to the Fund or change the manner of payment;

(ii) Irrespective of (i) above, for new Fund features that are not consistent with OSS's current processing requirements; and

(iii) Irrespective of (i) above, if changes in existing laws, rules or regulations: (a) require substantial system modifications or (b) increase cost of performance hereunder.

In the event of (i) above, if the Fund does not agree to the revised fees and charges or manner of payment, the Fund shall notify OSS thereof in writing (the "Refusal Notice") within thirty (30) days of receipt of OSS's notice. If the parties are unable to agree to a rate or manner within the next thirty (30) days after OSS's receipt of the Refusal Notice, this Agreement shall terminate ninety (90) days from the date on which OSS received the Refusal Notice.

In the event of (ii) above, the parties shall confer, diligently and in good faith, and agree upon a new fee to cover such new fund feature.

In the event of (iii) above, fees shall increase by the amount necessary, but not more than such amount, to reimburse OSS for the cost of developing or acquiring the new software to comply with regulatory changes and for the increased cost of operating its shareholder system.

3. EFFECTIVE DATE AND TERM.

This Agreement shall become effective on the Conversion Date, shall supersede any prior agreements among the parties hereto relating to the subject matter hereof, and shall continue in full force and effect until terminated by any party upon six months' prior written notice of termination addressed to all other parties. The Conversion Date shall be March 8, 1996, or such other date as the parties may agree to for OSS to assume the functions of transfer agent for the Fund pursuant to the terms herein.

4. STANDARD OF CARE.

OSS will make every reasonable effort and take all reasonably available measures to assure the adequacy of its personnel and facilities as well as the accurate

performance of all services to be performed by it hereunder within, at a minimum, the time requirements of any statute, rule or regulation pertaining to investment companies and any time requirements set forth in the then-current prospectus of the Fund. OSS shall promptly correct any error or omission made by it in the performance of its duties hereunder provided that it shall have received notice in writing of such error or omission and any necessary substantiating data or has otherwise become aware of such error or omission. In effecting any such corrections, OSS shall take all reasonable steps necessary to trace and to correct any related errors or omissions, including, without limitation, those which might cause an over-issue of the Fund's shares and/or the excess payment of dividends or distributions. The allocable costs of corrections shall be charged to the Fund and the liability of OSS under this Section shall be subject to the limitations provided in Section 9 hereof.

5. RECORDS RETENTION AND CONFIDENTIALITY.

OSS shall keep and maintain on behalf of the Fund all records which the Fund or its transfer agent is, or may be required, to keep and maintain pursuant to any applicable statutes, rules and regulations relating to the maintenance of records in connection with the services to be performed hereunder. OSS also shall maintain, for a period of at least 6 years, all records and documents which may be needed or required to support or document the actions taken by OSS in its performance of services hereunder. OSS recognizes and agrees that all such records and documents (but not the computer data processing programs and any related documentation used or prepared by, or on behalf of, OSS for the performance of its services hereunder) are the property of the Fund; shall be open to audit or inspection by the Fund or its agents during OSS's normal business hours; shall be maintained in such fashion as to preserve the confidentiality thereof and to comply with applicable federal and/or state laws and regulations; and shall, in whole or any specified part, be surrendered and turned over to the Fund or its duly authorized agents at any time upon OSS's receipt of an appropriate written request.

6. CLEARING ACCOUNTS.

The Fund shall open and/or maintain such bank account or accounts as shall reasonably be required by OSS for controlling payments, the disbursement of dividends, capital gains distributions and share redemption payments pursuant to the provisions hereof, and any other accounts deemed necessary by OSS or the Fund to carry out the provisions of this Agreement, with a bank or banks selected by OSS with the prior approval of the Fund's Board. Such account may be an omnibus account used for all Funds for which OSS or one of its subsidiaries acts as transfer agent. The Fund shall authorize officers or employees of OSS to act as authorized signatories to disburse funds held in such accounts. OSS shall be accountable to the Fund for the management of such accounts by OSS (and the funds at any time on deposit therein).

7. REPORTS.

OSS will furnish to the Fund, at the Fund's cost, and to such other persons or parties as are designated herein or shall be designated in writing by an authorized officer of the Fund, such reports at such times as are required for the performance of the services referred to in Schedule A.

8. INDEMNIFICATION OF OSS AND OMC.

The Fund shall indemnify OSS and OMC and hold OSS and OMC and each of their officers, directors, employees and agents harmless from and against any and all claims, demands, actions and suits, whether groundless or otherwise, and from and against all judgments, liabilities, losses, damages, costs, charges, counsel fees and other expenses arising from or relating to any action taken or omitted to be taken by it in good faith or as a result of ordinary negligence in reliance upon:

- (a) The authenticity of any letter or any other instrument or communication reasonably believed by it to be genuine and to have been properly made or signed by an authorized officer or agent of the Fund or by a shareholder or the authorized agent of a shareholder, as the case may be and which complies with the terms of this Agreement which pertain thereto;
- (b) The accuracy of any records or information provided to it by the Fund except to the extent the same may contain patently obvious errors or omissions;
- (c) Any certificate by an authorized officer of the Fund or any other person authorized by the Fund's Board as conclusive proof of any fact or matter required to be ascertained by OSS hereunder;
- (d) Instructions at any time given by an authorized officer of the Fund with respect to OSS's duties and responsibilities hereunder, including, as to legal matters pertaining to the performance of its duties hereunder, such advice or instructions as may be given to OSS by the Fund's general counsel or any legal counsel appointed by such counsel or by any authorized officer of the Fund;
- (e) Instructions regarding redemptions, exchanges or other treatment of the shares of the Fund, together with all dividends and capital gain distributions thereon and any reinvestment thereof, held or shown to the credit of any shareholder account, if such instructions satisfy the requirements of the Fund as contained in its then current prospectus, or the Fund's policies or as communicated in writing to OSS, its subcontractors or agents by the Fund; or

(f) The advice or opinion of legal counsel furnished to OSS pursuant to Section 10 hereof.

9. LIMITATIONS OF OSS'S AND OMC'S LIABILITY.

In addition to the limitations on OSS's and OMC's liability stated in Sections 8 and 10 hereof, neither OSS nor OMC assumes any liability hereunder and shall not be liable hereunder for any damage, loss of data, delay or other loss caused by circumstances or events beyond its control which it could not reasonably have anticipated. OSS shall not have any liability beyond the insurance coverage it has obtained for loss or damage arising from its own errors or omissions, except to the extent such errors or omissions are attributable to gross negligence or purposeful fault on the part of OSS, its officers, agents and/or employees; and in no event will OSS be liable to the Fund for punitive damages. The Fund shall indemnify and hold OSS and OMC harmless from and against any liabilities and defense expenses arising by reason of claims of third parties, based on errors or omissions of OSS, which are greater in amount than the limitations of liability described above, except to the extent such errors or omissions are attributable to gross negligence or purposeful fault on the part of OSS, its officers, directors, agents and/or employees.

10. LEGAL ADVICE AND INSTRUCTIONS.

OSS at any time may request instructions from any authorized officer of the Fund with respect to the performance of its duties and responsibilities hereunder and may consult with counsel for the Fund or counsel of its own choosing, who is acceptable to the Fund, relative to any such matter and shall not be liable hereunder for any action taken or omitted by it in good faith in accordance with such instructions or with an opinion of such counsel or of counsel appointed by an authorized officer of the Fund to deal with inquiries or requests for instructions by OSS. Nothing in this section shall be construed as imposing upon OSS any obligation to seek such instructions or counseling or to act in accordance with such instructions or counsel.

11. DOCUMENTS AND INFORMATION.

As soon as feasible prior to the effective date of the Agreement, and if not heretofore provided, the Fund will supply to OSS a statement, certified by the treasurer of the Fund, stating the number of shares of the Fund authorized, issued, held in treasury, outstanding and reserved as of such date, together with copies of specimen signatures of the Fund's officers and such other documents and information, including without limitation the then-current prospectus of the Fund, which OSS may determine in its reasonable discretion to be necessary or appropriate to enable it to perform the services to be performed hereunder, and the Fund thereafter will supply all amendments or supplemental documents with respect thereto as soon as the same shall be effective or available for distribution. The Fund assumes full responsibility for

the preparation, accuracy, content and clearance of its prospectus under federal and/or state securities laws and any rules or regulations thereunder. If the Fund shall make any change in its prospectus affecting the services and functions to be performed by OSS hereunder, such additional services and functions shall be deemed to be incorporated in Schedule A.

12. ADDITIONAL FUNDS.

In the event that the Fund established one or more series of shares in addition to the Oppenheimer/Rochester Bond Fund for Growth Portfolio with respect to which it desires to have OSS render services as transfer agent under the terms hereof, it shall so notify OSS in writing, and if OSS agrees in writing to provide such services, such series of shares shall become a Portfolio hereunder.

13. TERMINATION.

This Agreement may be terminated by any party only upon written notice as provided in Section 3 hereof, except that the Fund may terminate this Agreement without prior notice to preserve the integrity of its shareholder records from material and continuing errors and omissions on the part of OSS. In the event of any termination, OSS will provide full cooperation, assistance and documentation within its capabilities as shall be necessary or desirable, in the reasonable judgment of the Fund, to ensure that any transfer of the duties and responsibilities of OSS is accomplished with maximum efficiency and with minimum cost and disruption to the Fund's activities. Such cooperation will include the delivery of all files, documents and records used, kept or maintained by OSS in the performance of its services hereunder (except records or documents destroyed when consistent with the provisions hereof or with the approval of the Fund or which relate solely to the documentation of the computer data processing programs of OSS) together with, in machine-readable form, such of the Fund's records as may be maintained by OSS in a form other than written form, as well as such summary and/or control data relating thereto used by or available to OSS as may be requested by the Fund. The cost of all such termination services on the part of OSS shall be paid by the Fund without prejudice, however, to the rights of the Fund to recover any amounts so paid in the event that OSS shall be liable to the Fund under Section 9 hereof. In the course of its performance of the services set forth in Schedule A hereto, as such services may from time to time be modified or amended, OSS will enter into leases for equipment. If this Agreement is terminated by the Fund, and if, as a result of such termination, such equipment specifically leased by OSS to perform such services can no longer be utilized economically by OSS in its performance of services for any other entities with which OSS has continuing transfer agency or other service contracts, OSS may in its discretion cancel such leases. However, the Fund shall not have any responsibility for termination penalties, if any, which may be payable under the terms of such equipment leases, unless otherwise agreed by the

Fund prior to the time such lease is entered into.

14. NOTICES.

Any notice hereunder shall be sufficiently given when sent by registered or certified mail, return receipt requested, to any party hereto at the address of such party set forth above or at such other address as such party may from time to time specify in writing to the other parties.

15. CONSTRUCTION; GOVERNING LAW.

The headings used in this Agreement are for convenience only and shall not be deemed to constitute a part hereof. This Agreement, and the rights and obligations of the parties hereunder, shall be governed by and construed and interpreted under and in accordance with the laws of the State of New York applicable to contracts made and to be performed in that state.

16. ASSIGNMENT; DELEGATION.

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their successors and assigns, including without limitation, any successor to any party resulting by reason of corporate merger or consolidation; provided, however, that this Agreement and the rights and duties hereunder shall not be assigned by any of the parties hereto except upon the specific prior written consent of all parties hereto.

OSS may, without further consent on the part of the Fund, subcontract for the performance hereof with any entity which is duly registered as a transfer agent pursuant to Section 17A(c)(1) of the Securities Exchange Act of 1934, provided, however, that OSS shall be as fully responsible to the Fund for the acts and omissions of any subcontractors or agent as it is for its own acts and omissions.

17. INTERPRETIVE PROVISIONS.

OSS and the Fund may agree from time to time in writing on provisions interpretative of, or supplemental to, the provisions of this Agreement.

18. OTHER AGREEMENTS.

This Agreement shall not preclude the Fund from entering into transfer agency agreements or sub-transfer agency agreements with others.

19. DISCLAIMER OF LIABILITY.

OSS understands and agrees that the obligations of the Fund under this

Agreement are not binding upon any shareholder of the Fund or member of its Board of Trustees personally, but only the Fund and the Fund's property; OSS represents that it has notice of the provisions of the Declaration of Trust of the Fund disclaiming liability for acts or obligations of the Fund.

20. SEVERABILITY.

If any clause or provision of this Agreement is determined to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, then such clause or provision shall be considered severed herefrom, and the remainder of this Agreement shall continue in full force and effect.

21. ENTIRE AGREEMENT.

Except as otherwise provided herein, this Agreement, including Schedule A and Schedule B annexed hereto, constitutes the entire and complete Agreement between the parties hereto relating to the subject matter hereof; supersedes and merges all prior contracts and discussions between the parties hereto; and may not be modified or amended except by written document signed by all parties hereto against whom such modification or amendment is to be enforced.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first written above.

OPPENHEIMER SHAREHOLDER SERVICES
(a division of Oppenheimer Management Corporation)

ATTEST:

By: _____
Barbara Hennigar, President and Chief
Executive Officer

ROCHESTER FUND SERIES - THE BOND FUND FOR
GROWTH

ATTEST:

By: _____

Name: _____

Title: _____

EXHIBIT 11

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the use in the Statement of Additional Information constituting part of this Post-Effective Amendment No. 15 to the registration statement on Form N-1A (the "Registration Statement") of our report dated January 20, 1995, relating to the financial statements and schedule of financial highlights of Rochester Fund Series - The Bond Fund For Growth (name to be changed to Oppenheimer Bond Fund For Growth), which appears in such Statement of Additional Information, and to the incorporation by reference of our report into the Prospectus which constitutes part of this Registration Statement. We also consent to the reference to us under the heading "Financial Highlights" in such Prospectus.

/s/ Price Waterhouse LLP
PRICE WATERHOUSE LLP

Rochester, New York
January 11, 1996

EXHIBIT 15(a)

AMENDED AND RESTATED

DISTRIBUTION AND SERVICE PLAN AND AGREEMENT

WITH

OPPENHEIMER FUNDS DISTRIBUTOR, INC.

FOR CLASS A SHARES OF

ROCHESTER FUND SERIES
THE BOND FUND FOR GROWTH

AMENDED AND RESTATED DISTRIBUTION AND SERVICE PLAN AND AGREEMENT (the "Plan") dated the 4th day of January, 1996, by and between ROCHESTER FUND SERIES (the "Trust"), on behalf of THE BOND FUND FOR GROWTH (the "Fund"), and OPPENHEIMER FUNDS DISTRIBUTOR, INC. (the "Distributor").

1. THE PLAN. This Plan is the Fund's written distribution and service plan for Class A shares of the Fund (the "Shares"), contemplated by Rule 12b-1 (the "Rule") under the Investment Company Act of 1940 (the "1940 Act"), pursuant to which the Fund will compensate the Distributor for its services in connection with the distribution of Shares, and the personal service and maintenance of shareholder accounts that hold Shares ("Accounts"). The Fund may act as distributor of securities of which it is the issuer, pursuant to the Rule, according to the terms of this Plan. The Distributor is authorized under the Plan to pay "Recipients," as hereinafter defined, for rendering (1) distribution assistance in connection with the sale of Shares and/or (2) administrative support services with respect to Accounts. Such Recipients are intended to have certain rights as third-party beneficiaries under this Plan. The terms and provisions of this Plan shall be interpreted and defined in a manner consistent with the provisions and definitions contained in (i) the 1940 Act, (ii) the Rule, (iii) Article III, Section 26, of the Rules of Fair Practice of the National Association of Securities Dealers, Inc., or its successor (the "NASD Rules of Fair Practice") and (iv) any conditions pertaining either to distribution-related expenses or to a plan of distribution, to which the Fund is subject under any order on which the Fund relies, issued at any time by the Securities and Exchange Commission.

2. DEFINITIONS. As used in this Plan, the following terms shall have the following meanings:

(a) "Recipient" shall mean any broker, dealer, bank or other person or entity which: (i) has rendered assistance (whether direct, administrative

or both) in the distribution of Shares or has provided administrative support services with respect to Shares held by Customers (defined below) of the Recipient; (ii) shall furnish the Distributor (on behalf of the Fund) with such information as the Distributor shall reasonably request to answer such questions as may

arise concerning the sale of Shares; and (iii) has been selected by the Distributor to receive payments under the Plan. Notwithstanding the foregoing, a majority of the Trust's Board of Trustees (the "Board") who are not "interested persons" (as defined in the 1940 Act) and who have no direct or indirect financial interest in the operation of this Plan or in any agreements relating to this Plan (the "Independent Trustees") may remove any broker, dealer, bank or other person or entity as a Recipient, whereupon such person's or entity's rights as a third-party beneficiary hereof shall terminate.

(b) "Qualified Holdings" shall mean, as to any Recipient, all Shares owned beneficially or of record by: (i) such Recipient, or (ii) such brokerage or other customers, or investment advisory or other clients of such Recipient and/or accounts as to which such Recipient is a fiduciary or custodian or co-fiduciary or co-custodian (collectively, the "Customers"), but in no event shall any such Shares be deemed owned by more than one Recipient for purposes of this Plan. In the event that more than one person or entity would otherwise qualify as Recipients as to the same Shares, the Recipient which is the dealer of record on the Fund's books as determined by the Distributor shall be deemed the Recipient as to such Shares for purposes of this Plan.

3. Payments for Distribution Assistance and Administrative Support Services.

(a) The Fund will make payments to the Distributor, (i) within forty-five (45) days of the end of each calendar quarter, in the aggregate amount of 0.0625% (0.25% on an annual basis) of the average during the calendar quarter of the aggregate net asset value of the Shares computed as of the close of each business day (the "Service Fee"), plus (ii) within ten (10) days of the end of each month, in the aggregate amount of 0.0417% (0.50% on an annual basis) of the average during the month of the aggregate net asset value of Shares computed as of the close of each business day (the "Asset-Based Sales Charge") outstanding for six years or less (the "Maximum Holding Period"). Such Service Fee payments received from the Fund will compensate the Distributor and Recipients for providing administrative support services with respect to Accounts. Such Asset-Based Sales Charge payments received from the Fund will compensate the Distributor and Recipients for providing distribution assistance in connection with the sale of Shares.

The administrative support services in connection with the Accounts to be rendered by Recipients may include, but shall not be limited to, the

following: answering routine inquiries concerning the Fund, assisting in the establishment and maintenance of accounts or subaccounts in the Fund and processing Share redemption transactions, making the Fund's investment plans and dividend payment options available, and providing such other information and services in connection with the rendering of personal services and/or the maintenance of Accounts, as the Distributor or the Fund may reasonably request.

The distribution assistance in connection with the sale of Shares to be rendered by the Distributor and Recipients may include, but shall not be limited to, the following: distributing

-2-

sales literature and prospectuses other than those furnished to current holders of the Fund's Shares ("Shareholders"), and providing such other information and services in connection with the distribution of Shares as the Distributor or the Fund may reasonably request.

It may be presumed that a Recipient has provided distribution assistance or administrative support services qualifying for payment under the Plan if it has Qualified Holdings of Shares to entitle it to payments under the Plan. In the event that either the Distributor or the Board should have reason to believe that, notwithstanding the level of Qualified Holdings, a Recipient may not be rendering appropriate distribution assistance in connection with the sale of Shares or administrative support services for Accounts, then the Distributor, at the request of the Board, shall require the Recipient to provide a written report or other information to verify that said Recipient is providing appropriate distribution assistance and/or services in this regard. If the Distributor or the Board of Trustees still is not satisfied, either may take appropriate steps to terminate the Recipient's status as such under the Plan, whereupon such Recipient's rights as a third-party beneficiary hereunder shall terminate.

(b) The Distributor shall make service fee payments to any Recipient quarterly, within forty-five (45) days of the end of each calendar quarter, at a rate not to exceed 0.0625% (0.25% on an annual basis) of the average during the calendar quarter of the aggregate net asset value of Shares computed as of the close of each business day, constituting Qualified Holdings owned beneficially or of record by the Recipient or by its Customers for a period of more than the minimum period (the "Minimum Holding Period"), if any, to be set from time to time by a majority of the Independent Trustees.

Alternatively, the Distributor may, at its sole option, make service fee payments ("Advance Service Fee Payments") to any Recipient quarterly, within forty-five (45) days of the end of each calendar quarter, at a rate not to exceed (i) 0.25% of the average during the calendar quarter of the

aggregate net asset value of Shares, computed as of the close of business on the day such Shares are sold, constituting Qualified Holdings sold by the Recipient during that quarter and owned beneficially or of record by the Recipient or by its Customers, plus (ii) 0.0625% (0.25% on an annual basis) of the average during the calendar quarter of the aggregate net asset value of Shares computed as of the close of each business day, constituting Qualified Holdings owned beneficially or of record by the Recipient or by its Customers for a period of more than one (1) year, subject to reduction or chargeback so that the Advance Service Fee Payments do not exceed the limits on payments to Recipients that are, or may be, imposed by Article III, Section 26, of the NASD Rules of Fair Practice. In the event Shares are redeemed less than one year after the date such Shares were sold, the Recipient is obligated and will repay to the Distributor on demand a pro rata portion of such Advance Service Fee Payments, based on the ratio of the time such shares were held to one (1) year.

The Advance Service Fee Payments described in part (i) of this paragraph (b) may, at

-3-

the Distributor's sole option, be made more often than quarterly, and sooner than the end of the calendar quarter. In addition, the Distributor may make asset-based sales charge payments to any Recipient quarterly, within forty-five (45) days of the end of each calendar quarter, at a rate not to exceed 0.125% (0.50% on an annual basis) of the average during the calendar quarter of the aggregate net asset value of Shares computed as of the close of each business day, constituting Qualified Holdings owned beneficially or of record by the Recipient or by its Customers. However, no such service fee or asset-based sales charge payments (collectively, the "Recipient Payments") shall be made to any Recipient for any such quarter in which its Qualified Holdings do not equal or exceed, at the end of such quarter, the minimum amount ("Minimum Qualified Holdings"), if any, to be set from time to time by a majority of the Independent Trustees.

A majority of the Independent Trustees may at any time or from time to time decrease and thereafter adjust the rate of fees to be paid to the Distributor or to any Recipient, but not to exceed the rate set forth above, and/or direct the Distributor to increase or decrease the Minimum Holding Period or the Minimum Qualified Holdings. The Distributor shall notify all Recipients of the Minimum Qualified Holdings, Maximum Holding Period and Minimum Holding Period, if any, and the rates of Recipient Payments hereunder applicable to Recipients, and shall provide each Recipient with written notice within thirty (30) days after any change in these provisions. Inclusion of such provisions or a change in such provisions in a revised current prospectus shall constitute sufficient notice. The Distributor may make Plan payments to any "affiliated person" (as defined in the 1940 Act) of the Distributor if such affiliated person qualifies as a Recipient.

(c) The Service Fee and the Asset-Based Sales Charge on Shares are subject to reduction or elimination of such amounts under the limits to which the Distributor is, or may become, subject under Article III, Section 26, of the NASD Rules of Fair Practice. The distribution assistance and administrative support services to be rendered by the Distributor in connection with the Shares may include, but shall not be limited to, the following: (i) paying sales commissions to any broker, dealer, bank or other person or entity that sells Shares, and/or paying such persons Advance Service Fee Payments in advance of, and/or greater than, the amount provided for in Section 3(b) of this Agreement; (ii) paying compensation to and expenses of personnel of the Distributor who support distribution of Shares by Recipients; (iii) obtaining financing or providing such financing from its own resources, or from an affiliate, for the interest and other borrowing costs of the Distributor's unreimbursed expenses incurred in rendering distribution assistance and administrative support services to the Fund; (iv) paying other direct distribution costs, including without limitation the costs of sales literature, advertising and prospectuses (other than those furnished to current Shareholders) and state "blue sky" registration expenses; and (v) any service rendered by the Distributor that a Recipient may render pursuant to part (a) of this Section 3. Such services include distribution assistance and administrative support services rendered in connection with Shares acquired (i) by purchase, (ii) in exchange for shares of another investment company for which the Distributor serves as distributor or sub-distributor, or (iii) pursuant to a plan of reorganization

-4-

to which the Fund is a party. In the event that the Board should have reason to believe that the Distributor may not be rendering appropriate distribution assistance or administrative support services in connection with the sale of Shares, then the Distributor, at the request of the Board, shall provide the Board with a written report or other information to verify that the Distributor is providing appropriate services in this regard.

(d) Under the Plan, payments may be made to Recipients: (i) by Oppenheimer Management Corporation ("OMC") from its own resources (which may include profits derived from the advisory fee it receives from the Fund), or (ii) by the Distributor (a subsidiary of OMC), from its own resources, from Asset-Based Sales Charge payments or from its borrowings.

(e) Notwithstanding any other provision of this Plan, this Plan does not obligate or in any way make the Fund liable to make any payment whatsoever to any person or entity other than directly to the Distributor. In no event shall the amounts to be paid to the Distributor exceed the rate of fees to be paid by the Fund to the Distributor set forth in paragraph (a) of this section 3.

4. SELECTION AND NOMINATION OF TRUSTEES. While this Plan is in effect, the selection and nomination of those persons to be Trustees of the Trust who are not "interested persons" of the Trust ("Disinterested Trustees") shall be committed to the discretion of such Disinterested Trustees. Nothing herein shall prevent the Disinterested Trustees from soliciting the views or the involvement of others in such selection or nomination if the final decision on any such selection and nomination is approved by a majority of the incumbent Disinterested Trustees.

5. REPORTS. While this Plan is in effect, the Treasurer of the Trust shall provide written reports to the Trust's Board for its review, detailing services rendered in connection with the distribution of the Shares, the amount of all payments made and the purpose for which the payments were made. The reports shall be provided quarterly, and shall state whether all provisions of Section 3 of this Plan have been complied with.

6. RELATED AGREEMENTS. Any agreement related to this Plan shall be in writing and shall provide that: (i) such agreement may be terminated at any time, without payment of any penalty, by a vote of a majority of the Independent Trustees or by a vote of the holders of a "majority" (as defined in the 1940 Act) of the Fund's outstanding voting securities of the Class, on not more than sixty days written notice to any other party to the agreement; (ii) such agreement shall automatically terminate in the event of its assignment (as defined in the 1940 Act); (iii) it shall go into effect when approved by a vote of the Board and its Independent Trustees cast in person at a meeting called for the purpose of voting on such agreement; and (iv) it shall, unless terminated as herein provided, continue in effect from year to year only so long as such continuance is specifically approved at least annually by a vote of the Board and its Independent Trustees cast in person at a meeting called for the purpose of voting on such continuance.

-5-

7. EFFECTIVENESS, CONTINUATION, TERMINATION AND AMENDMENT. This Plan has been approved by a vote of the Board and its Independent Trustees cast in person at a meeting called on October 16, 1995, for the purpose of voting on this Plan, and shall take effect after approved by Class A shareholders of the Fund, at which time it shall replace the Fund's Distribution and Service Plan and Agreement for the Shares adopted June 3, 1986, and amended May 1, 1993, July 22, 1993, October 20, 1994 and January 26, 1995. Unless terminated as hereinafter provided, it shall continue in effect from year to year from the date first set forth above or as the Board may otherwise determine only so long as such continuance is specifically approved at least annually by a vote of the Board and its Independent Trustees cast in person at a meeting called for the purpose of voting on such continuance. This Plan may not be amended to increase materially the amount of payments to be made without approval of the Class A Shareholders, in the manner described above, and all material amendments must be approved by a

vote of the Board and of the Independent Trustees. This Plan may be terminated at any time by vote of a majority of the Independent Trustees or by the vote of the holders of a "majority" (as defined in the 1940 Act) of the Fund's outstanding voting securities of the Class.

8. DISCLAIMER OF SHAREHOLDER AND TRUSTEE LIABILITY. The Distributor understands that the obligations of the Fund under this Plan are not binding upon any Trustee of the Trust or shareholder of the Fund personally, but bind only the Fund and the Fund's property. The Distributor represents that it has notice of the provisions of the Declaration of Trust of the Trust disclaiming shareholder and Trustee liability for acts or obligations of the Fund.

ROCHESTER FUND SERIES, on behalf of
THE BOND FUND FOR GROWTH

By: /s/ MICHAEL S. ROSEN

Michael S. Rosen, Vice President

OPPENHEIMER FUNDS DISTRIBUTOR, INC.

By: /s/ ANDREW J. DONOHUE

Andrew J. Donohue, Executive Vice President

EXHIBIT 15(b)

AMENDED AND RESTATED

DISTRIBUTION AND SERVICE PLAN AND AGREEMENT

WITH

OPPENHEIMER FUNDS DISTRIBUTOR, INC.

FOR CLASS B SHARES OF

ROCHESTER FUND SERIES
THE BOND FUND FOR GROWTH

AMENDED AND RESTATED DISTRIBUTION AND SERVICE PLAN AND AGREEMENT (the "Plan") dated the 4th day of January, 1996, by and between ROCHESTER FUND SERIES (the "Trust"), on behalf of THE BOND FUND FOR GROWTH (the "Fund"), and OPPENHEIMER FUNDS DISTRIBUTOR, INC. (the "Distributor").

1. THE PLAN. This Plan is the Fund's written distribution and service plan for Class B shares of the Fund (the "Shares"), contemplated by Rule 12b-1 (the "Rule") under the Investment Company Act of 1940 (the "1940 Act"), pursuant to which the Fund will compensate the Distributor for its services in connection with the distribution of Shares, and the personal service and maintenance of shareholder accounts that hold Shares ("Accounts"). The Fund may act as distributor of securities of which it is the issuer, pursuant to the Rule, according to the terms of this Plan. The Distributor is authorized under the Plan to pay "Recipients," as hereinafter defined, for rendering (1) distribution assistance in connection with the sale of Shares and/or (2) administrative support services with respect to Accounts. Such Recipients are intended to have certain rights as third-party beneficiaries under this Plan. The terms and provisions of this Plan shall be interpreted and defined in a manner consistent with the provisions and definitions contained in (i) the 1940 Act, (ii) the Rule, (iii) Article III, Section 26, of the Rules of Fair Practice of the National Association of Securities Dealers, Inc., or its successor (the "NASD Rules of Fair Practice") and (iv) any conditions pertaining either to distribution-related expenses or to a plan of distribution, to which the Fund is subject under any order on which the Fund relies, issued at any time by the Securities and Exchange Commission.

2. DEFINITIONS. As used in this Plan, the following terms shall have the following meanings:

(a) "Recipient" shall mean any broker, dealer, bank or other person or

entity which: (i) has rendered assistance (whether direct, administrative or both) in the distribution of Shares or has provided administrative support services with respect to Shares held by Customers (defined below) of the Recipient; (ii) shall furnish the Distributor (on behalf of the Fund) with such information as the Distributor shall reasonably request to answer such questions as may

arise concerning the sale of Shares; and (iii) has been selected by the Distributor to receive payments under the Plan. Notwithstanding the foregoing, a majority of the Trust's Board of Trustees (the "Board") who are not "interested persons" (as defined in the 1940 Act) and who have no direct or indirect financial interest in the operation of this Plan or in any agreements relating to this Plan (the "Independent Trustees") may remove any broker, dealer, bank or other person or entity as a Recipient, whereupon such person's or entity's rights as a third-party beneficiary hereof shall terminate.

(b) "Qualified Holdings" shall mean, as to any Recipient, all Shares owned beneficially or of record by: (i) such Recipient, or (ii) such brokerage or other customers, or investment advisory or other clients of such Recipient and/or accounts as to which such Recipient is a fiduciary or custodian or co-fiduciary or co-custodian (collectively, the "Customers"), but in no event shall any such Shares be deemed owned by more than one Recipient for purposes of this Plan. In the event that more than one person or entity would otherwise qualify as Recipients as to the same Shares, the Recipient which is the dealer of record on the Fund's books as determined by the Distributor shall be deemed the Recipient as to such Shares for purposes of this Plan.

3. Payments for Distribution Assistance and Administrative Support Services.

(a) The Fund will make payments to the Distributor, (i) within forty-five (45) days of the end of each calendar quarter, in the aggregate amount of 0.0625% (0.25% on an annual basis) of the average during the calendar quarter of the aggregate net asset value of the Shares computed as of the close of each business day (the "Service Fee"), plus (ii) within ten (10) days of the end of each month, in the aggregate amount of 0.0625% (0.75% on an annual basis) of the average during the month of the aggregate net asset value of Shares computed as of the close of each business day (the "Asset-Based Sales Charge") outstanding for six years or less (the "Maximum Holding Period"). Such Service Fee payments received from the Fund will compensate the Distributor and Recipients for providing administrative support services with respect to Accounts. Such Asset-Based Sales Charge payments received from the Fund will compensate the Distributor and Recipients for providing distribution assistance in connection with the sale of Shares.

The administrative support services in connection with the Accounts to

be rendered by Recipients may include, but shall not be limited to, the following: answering routine inquiries concerning the Fund, assisting in the establishment and maintenance of accounts or subaccounts in the Fund and processing Share redemption transactions, making the Fund's investment plans and dividend payment options available, and providing such other information and services in connection with the rendering of personal services and/or the maintenance of Accounts, as the Distributor or the Fund may reasonably request.

The distribution assistance in connection with the sale of Shares to be rendered by the Distributor and Recipients may include, but shall not be limited to, the following: distributing

-2-

sales literature and prospectuses other than those furnished to current holders of the Fund's Shares ("Shareholders"), and providing such other information and services in connection with the distribution of Shares as the Distributor or the Fund may reasonably request.

It may be presumed that a Recipient has provided distribution assistance or administrative support services qualifying for payment under the Plan if it has Qualified Holdings of Shares to entitle it to payments under the Plan. In the event that either the Distributor or the Board should have reason to believe that, notwithstanding the level of Qualified Holdings, a Recipient may not be rendering appropriate distribution assistance in connection with the sale of Shares or administrative support services for Accounts, then the Distributor, at the request of the Board, shall require the Recipient to provide a written report or other information to verify that said Recipient is providing appropriate distribution assistance and/or services in this regard. If the Distributor or the Board of Trustees still is not satisfied, either may take appropriate steps to terminate the Recipient's status as such under the Plan, whereupon such Recipient's rights as a third-party beneficiary hereunder shall terminate.

(b) The Distributor shall make service fee payments to any Recipient quarterly, within forty-five (45) days of the end of each calendar quarter, at a rate not to exceed 0.0625% (0.25% on an annual basis) of the average during the calendar quarter of the aggregate net asset value of Shares computed as of the close of each business day, constituting Qualified Holdings owned beneficially or of record by the Recipient or by its Customers for a period of more than the minimum period (the "Minimum Holding Period"), if any, to be set from time to time by a majority of the Independent Trustees.

Alternatively, the Distributor may, at its sole option, make service fee payments ("Advance Service Fee Payments") to any Recipient quarterly,

within forty-five (45) days of the end of each calendar quarter, at a rate not to exceed (i) 0.25% of the average during the calendar quarter of the aggregate net asset value of Shares, computed as of the close of business on the day such Shares are sold, constituting Qualified Holdings sold by the Recipient during that quarter and owned beneficially or of record by the Recipient or by its Customers, plus (ii) 0.0625% (0.25% on an annual basis) of the average during the calendar quarter of the aggregate net asset value of Shares computed as of the close of each business day, constituting Qualified Holdings owned beneficially or of record by the Recipient or by its Customers for a period of more than one (1) year, subject to reduction or chargeback so that the Advance Service Fee Payments do not exceed the limits on payments to Recipients that are, or may be, imposed by Article III, Section 26, of the NASD Rules of Fair Practice. In the event Shares are redeemed less than one year after the date such Shares were sold, the Recipient is obligated and will repay to the Distributor on demand a pro rata portion of such Advance Service Fee Payments, based on the ratio of the time such shares were held to one (1) year.

The Advance Service Fee Payments described in part (i) of this paragraph (b) may, at

-3-

the Distributor's sole option, be made more often than quarterly, and sooner than the end of the calendar quarter. However, no such payments shall be made to any Recipient for any such quarter in which its Qualified Holdings do not equal or exceed, at the end of such quarter, the minimum amount ("Minimum Qualified Holdings"), if any, to be set from time to time by a majority of the Independent Trustees.

A majority of the Independent Trustees may at any time or from time to time decrease and thereafter adjust the rate of fees to be paid to the Distributor or to any Recipient, but not to exceed the rate set forth above, and/or direct the Distributor to increase or decrease the Minimum Holding Period or the Minimum Qualified Holdings. The Distributor shall notify all Recipients of the Minimum Qualified Holdings, Maximum Holding Period and Minimum Holding Period, if any, and the rate of payments hereunder applicable to Recipients, and shall provide each Recipient with written notice within thirty (30) days after any change in these provisions. Inclusion of such provisions or a change in such provisions in a revised current prospectus shall constitute sufficient notice. The Distributor may make Plan payments to any "affiliated person" (as defined in the 1940 Act) of the Distributor if such affiliated person qualifies as a Recipient.

(c) The Service Fee and the Asset-Based Sales Charge on Shares are subject to reduction or elimination of such amounts under the limits to which the Distributor is, or may become, subject under Article III, Section 26, of the NASD Rules of Fair Practice. The distribution assistance and

administrative support services to be rendered by the Distributor in connection with the Shares may include, but shall not be limited to, the following: (i) paying sales commissions to any broker, dealer, bank or other person or entity that sells Shares, and/or paying such persons Advance Service Fee Payments in advance of, and/or greater than, the amount provided for in Section 3(b) of this Agreement; (ii) paying compensation to and expenses of personnel of the Distributor who support distribution of Shares by Recipients; (iii) obtaining financing or providing such financing from its own resources, or from an affiliate, for the interest and other borrowing costs of the Distributor's unreimbursed expenses incurred in rendering distribution assistance and administrative support services to the Fund; (iv) paying other direct distribution costs, including without limitation the costs of sales literature, advertising and prospectuses (other than those furnished to current Shareholders) and state "blue sky" registration expenses; and (v) any service rendered by the Distributor that a Recipient may render pursuant to part (a) of this Section 3. Such services include distribution assistance and administrative support services rendered in connection with Shares acquired (i) by purchase, (ii) in exchange for shares of another investment company for which the Distributor serves as distributor or sub-distributor, or (iii) pursuant to a plan of reorganization to which the Fund is a party. In the event that the Board should have reason to believe that the Distributor may not be rendering appropriate distribution assistance or administrative support services in connection with the sale of Shares, then the Distributor, at the request of the Board, shall provide the Board with a written report or other information to verify that the Distributor is providing appropriate services in this regard.

-4-

(d) Under the Plan, payments may be made to Recipients: (i) by Oppenheimer Management Corporation ("OMC") from its own resources (which may include profits derived from the advisory fee it receives from the Fund), or (ii) by the Distributor (a subsidiary of OMC), from its own resources, from Asset-Based Sales Charge payments or from its borrowings.

(e) Notwithstanding any other provision of this Plan, this Plan does not obligate or in any way make the Fund liable to make any payment whatsoever to any person or entity other than directly to the Distributor. In no event shall the amounts to be paid to the Distributor exceed the rate of fees to be paid by the Fund to the Distributor set forth in paragraph (a) of this section 3.

4. SELECTION AND NOMINATION OF TRUSTEES. While this Plan is in effect, the selection and nomination of those persons to be Trustees of the Trust who are not "interested persons" of the Trust ("Disinterested Trustees") shall be committed to the discretion of such Disinterested Trustees. Nothing herein shall prevent the Disinterested Trustees from soliciting the views or the involvement

of others in such selection or nomination if the final decision on any such selection and nomination is approved by a majority of the incumbent Disinterested Trustees.

5. REPORTS. While this Plan is in effect, the Treasurer of the Trust shall provide written reports to the Trust's Board for its review, detailing services rendered in connection with the distribution of the Shares, the amount of all payments made and the purpose for which the payments were made. The reports shall be provided quarterly, and shall state whether all provisions of Section 3 of this Plan have been complied with.

6. RELATED AGREEMENTS. Any agreement related to this Plan shall be in writing and shall provide that: (i) such agreement may be terminated at any time, without payment of any penalty, by a vote of a majority of the Independent Trustees or by a vote of the holders of a "majority" (as defined in the 1940 Act) of the Fund's outstanding voting securities of the Class, on not more than sixty days written notice to any other party to the agreement; (ii) such agreement shall automatically terminate in the event of its assignment (as defined in the 1940 Act); (iii) it shall go into effect when approved by a vote of the Board and its Independent Trustees cast in person at a meeting called for the purpose of voting on such agreement; and (iv) it shall, unless terminated as herein provided, continue in effect from year to year only so long as such continuance is specifically approved at least annually by a vote of the Board and its Independent Trustees cast in person at a meeting called for the purpose of voting on such continuance.

7. EFFECTIVENESS, CONTINUATION, TERMINATION AND AMENDMENT. This Plan has been approved by a vote of the Board and its Independent Trustees cast in person at a meeting called on October 16, 1995, for the purpose of voting on this Plan, and shall take effect after approved by Class B shareholders of the Fund, at which time it shall replace the Fund's Distribution and Service Plan and Agreement for the Shares adopted May 1, 1995. Unless terminated as hereinafter provided, it shall continue in effect from year to year from the date first set forth above or as the Board may otherwise determine only so

-5-

long as such continuance is specifically approved at least annually by a vote of the Board and its Independent Trustees cast in person at a meeting called for the purpose of voting on such continuance. This Plan may not be amended to increase materially the amount of payments to be made without approval of the Class B Shareholders, in the manner described above, and all material amendments must be approved by a vote of the Board and of the Independent Trustees. This Plan may be terminated at any time by vote of a majority of the Independent Trustees or by the vote of the holders of a "majority" (as defined in the 1940 Act) of the Fund's outstanding voting securities of the Class. In the event of such termination, the Board and its Independent Trustees shall determine whether the Distributor shall be entitled to payment from the Fund of all or a portion of the Service Fee and/or the Asset-Based Sales Charge in respect of Shares sold

prior to the effective date of such termination.

8. Disclaimer of Shareholder and Trustee Liability. The Distributor understands that the obligations of the Fund under this Plan are not binding upon any Trustee of the Trust or shareholder of the Fund personally, but bind only the Fund and the Fund's property. The Distributor represents that it has notice of the provisions of the Declaration of Trust of the Trust disclaiming shareholder and Trustee liability for acts or obligations of the Fund.

ROCHESTER FUND SERIES, on behalf of
THE BOND FUND FOR GROWTH

By: /s/ MICHAEL S. ROSEN

Michael S. Rosen, Vice President

OPPENHEIMER FUNDS DISTRIBUTOR, INC.

By: /s/ ANDREW J. DONOHUE

Andrew J. Donohue, Executive Vice President

EXHIBIT 15(c)

DISTRIBUTION AND SERVICE PLAN AND AGREEMENT

WITH

OPPENHEIMER FUNDS DISTRIBUTOR, INC.

FOR CLASS C SHARES OF

OPPENHEIMER BOND FUND FOR GROWTH

DISTRIBUTION AND SERVICE PLAN AND AGREEMENT (the "Plan") dated the ___ day of _____, 1996, by and between OPPENHEIMER BOND FUND FOR GROWTH (the "Fund") and OPPENHEIMER FUNDS DISTRIBUTOR, INC. (the "Distributor").

1. THE PLAN. This Plan is the Fund's written distribution and service plan for Class C shares of the Fund (the "Shares"), contemplated by Rule 12b-1 (the "Rule") under the Investment Company Act of 1940 (the "1940 Act"), pursuant to which the Fund will compensate the Distributor for its services in connection with the distribution of Shares, and the personal service and maintenance of shareholder accounts that hold Shares ("Accounts"). The Fund may act as distributor of securities of which it is the issuer, pursuant to the Rule, according to the terms of this Plan. The Distributor is authorized under the Plan to pay "Recipients," as hereinafter defined, for rendering (1) distribution assistance in connection with the sale of Shares and/or (2) administrative support services with respect to Accounts. Such Recipients are intended to have certain rights as third-party beneficiaries under this Plan. The terms and provisions of this Plan shall be interpreted and defined in a manner consistent with the provisions and definitions contained in (i) the 1940 Act, (ii) the Rule, (iii) Article III, Section 26, of the Rules of Fair Practice of the National Association of Securities Dealers, Inc., or its successor (the "NASD Rules of Fair Practice") and (iv) any conditions pertaining either to distribution-related expenses or to a plan of distribution, to which the Fund is subject under any order on which the Fund relies, issued at any time by the Securities and Exchange Commission.

2. DEFINITIONS. As used in this Plan, the following terms shall have the following meanings:

(a) "Recipient" shall mean any broker, dealer, bank or other person or entity which: (i) has rendered assistance (whether direct, administrative or both) in the distribution of Shares or has provided administrative

support services with respect to Shares held by Customers (defined below) of the Recipient; (ii) shall furnish the Distributor (on behalf of the Fund) with such information as the Distributor shall reasonably request to answer such questions as may arise concerning the sale of Shares; and (iii) has been selected by the Distributor to receive payments under the Plan. Notwithstanding the foregoing, a majority of the Fund's Board of Trustees (the "Board") who are not "interested persons" (as defined in the 1940 Act) and who have no direct or indirect financial interest in the operation of this Plan or in any agreements relating to this Plan (the "Independent Trustees") may remove any broker, dealer, bank or other person or entity as a Recipient, whereupon such person's or entity's rights as a third-party beneficiary hereof shall terminate.

(b) "Qualified Holdings" shall mean, as to any Recipient, all Shares owned beneficially or of record by: (i) such Recipient, or (ii) such customers, clients and/or accounts as to which such Recipient is a fiduciary or custodian or co-fiduciary or co-custodian (collectively, the "Customers"), but in no event shall any such Shares be deemed owned by more than one Recipient for purposes of this Plan. In the event that more than one person or entity would otherwise qualify as Recipients as to the same Shares, the Recipient which is the dealer of record on the Fund's books as determined by the Distributor shall be deemed the Recipient as to such Shares for purposes of this Plan.

3. PAYMENTS FOR DISTRIBUTION ASSISTANCE AND ADMINISTRATIVE SUPPORT SERVICES.

(a) The Fund will make payments to the Distributor, (i) within forty-five (45) days of the end of each calendar quarter, in the aggregate amount of 0.0625% (0.25% on an annual basis) of the average during the calendar quarter of the aggregate net asset value of the Shares computed as of the close of each business day (the "Service Fee"), plus (ii) within ten (10) days of the end of each month, in the aggregate amount of 0.0625% (0.75% on an annual basis) of the average during the month of the aggregate net asset value of Shares computed as of the close of each business day (the "Asset-Based Sales Charge") outstanding for six years or less (the "Maximum Holding Period"). Such Service Fee payments received from the Fund will compensate the Distributor and Recipients for providing

administrative support services with respect to Accounts. Such Asset-Based Sales Charge payments received from the Fund will compensate the Distributor and Recipients for providing distribution assistance in connection with the sale of Shares.

The administrative support services in connection with the Accounts to be rendered by Recipients may include, but shall not be limited to, the following: answering routine inquiries concerning the Fund, assisting in the establishment and maintenance of accounts or sub-accounts in the Fund and processing Share redemption transactions, making the Fund's investment

plans and dividend payment options available, and providing such other information and services in connection with the rendering of personal services and/or the maintenance of Accounts, as the Distributor or the Fund may reasonably request.

The distribution assistance in connection with the sale of Shares to be rendered by the Distributor and Recipients may include, but shall not be limited to, the following: distributing sales literature and prospectuses other than those furnished to current holders of the Fund's Shares ("Shareholders"), and providing such other information and services in connection with the distribution of Shares as the Distributor or the Fund may reasonably request.

It may be presumed that a Recipient has provided distribution assistance or administrative support services qualifying for payment under the Plan if it has Qualified Holdings of Shares to entitle it to payments under the Plan. In the event that either the Distributor or the Board should have reason to believe that, notwithstanding the level of Qualified Holdings, a Recipient may not be rendering appropriate distribution assistance in connection with the sale of Shares or administrative support services for Accounts, then the Distributor, at the request of the Board, shall require the Recipient to provide a written report or other information to verify that said Recipient is providing appropriate distribution assistance and/or services in this regard. If the Distributor or the Board of Trustees still is not satisfied, either may take appropriate steps to terminate the Recipient's status as such under the Plan, whereupon such Recipient's rights as a third-party beneficiary hereunder shall terminate.

(b) The Distributor shall make service fee payments to any Recipient

quarterly, within forty-five (45) days of the end of each calendar quarter, at a rate not to exceed 0.0625% (0.25% on an annual basis) of the average during the calendar quarter of the aggregate net asset value of Shares computed as of the close of each business day, constituting Qualified Holdings owned beneficially or of record by the Recipient or by its Customers for a period of more than the minimum period (the "Minimum Holding Period"), if any, to be set from time to time by a majority of the Independent Trustees.

Alternatively, the Distributor may, at its sole option, make service fee payments ("Advance Service Fee Payments") to any Recipient quarterly, within forty-five (45) days of the end of each calendar quarter, at a rate not to exceed (i) 0.25% of the average during the calendar quarter of the aggregate net asset value of Shares, computed as of the close of business on the day such Shares are sold, constituting Qualified Holdings sold by the Recipient during that quarter and owned beneficially or of record by the Recipient or by its Customers, plus (ii) 0.0625% (0.25% on an annual

basis) of the average during the calendar quarter of the aggregate net asset value of Shares computed as of the close of each business day, constituting Qualified Holdings owned beneficially or of record by the Recipient or by its Customers for a period of more than one (1) year, subject to reduction or chargeback so that the Advance Service Fee Payments do not exceed the limits on payments to Recipients that are, or may be, imposed by Article III, Section 26, of the NASD Rules of Fair Practice. In the event Shares are redeemed less than one year after the date such Shares were sold, the Recipient is obligated and will repay to the Distributor on demand a pro rata portion of such Advance Service Fee Payments, based on the ratio of the time such shares were held to one (1) year.

The Advance Service Fee Payments described in part (i) of this paragraph (b) may, at the Distributor's sole option, be made more often than quarterly, and sooner than the end of the calendar quarter. However, no such payments shall be made to any Recipient for any such quarter in which its Qualified Holdings do not equal or exceed, at the end of such quarter, the minimum amount ("Minimum Qualified Holdings"), if any, to be set from time to time by a majority of the Independent Trustees.

A majority of the Independent Trustees may at any time or from time to time decrease and thereafter adjust the rate of fees to be paid to the Distributor or to any Recipient, but not to exceed the

rate set forth above, and/or direct the Distributor to increase or decrease the Minimum Holding Period or the Minimum Qualified Holdings. The Distributor shall notify all Recipients of the Minimum Qualified Holdings, Maximum Holding Period and Minimum Holding Period, if any, and the rate of payments hereunder applicable to Recipients, and shall provide each Recipient with written notice within thirty (30) days after any change in these provisions. Inclusion of such provisions or a change in such provisions in a revised current prospectus shall constitute sufficient notice. The Distributor may make Plan payments to any "affiliated person" (as defined in the 1940 Act) of the Distributor if such affiliated person qualifies as a Recipient.

(c) The Service Fee and the Asset-Based Sales Charge on Shares are subject to reduction or elimination of such amounts under the limits to which the Distributor is, or may become, subject under Article III, Section 26, of the NASD Rules of Fair Practice. The distribution assistance and administrative support services to be rendered by the Distributor in connection with the Shares may include, but shall not be limited to, the following: (i) paying sales commissions to any broker, dealer, bank or other person or entity that sells Shares, and/or paying such persons Advance Service Fee Payments in advance of, and/or greater than, the amount provided for in Section 3(b) of this Agreement; (ii) paying compensation to and expenses of personnel of the Distributor who support distribution of Shares by Recipients; (iii) obtaining financing or providing such financing

from its own resources, or from an affiliate, for the interest and other borrowing costs of the Distributor's unreimbursed expenses incurred in rendering distribution assistance and administrative support services to the Fund; (iv) paying other direct distribution costs, including without limitation the costs of sales literature, advertising and prospectuses (other than those furnished to current Shareholders) and state "blue sky" registration expenses; and (v) any service rendered by the Distributor that a Recipient may render pursuant to part (a) of this Section 3. Such services include distribution assistance and administrative support services rendered in connection with Shares acquired (i) by purchase, (ii) in exchange for shares of another investment company for which the Distributor serves as distributor or sub-distributor, or (iii) pursuant to a plan of reorganization to which the Fund is a party. In the event that the Board should have reason to believe that the Distributor may not be rendering appropriate distribution assistance or administrative support services in connection with the sale of Shares, then the

Distributor, at the request of the Board, shall provide the Board with a written report or other information to verify that the Distributor is providing appropriate services in this regard.

(d) Under the Plan, payments may be made to Recipients: (i) by Oppenheimer Management Corporation ("OMC") from its own resources (which may include profits derived from the advisory fee it receives from the Fund), or (ii) by the Distributor (a subsidiary of OMC), from its own resources, from Asset-Based Sales Charge payments or from its borrowings.

(e) Notwithstanding any other provision of this Plan, this Plan does not obligate or in any way make the Fund liable to make any payment whatsoever to any person or entity other than directly to the Distributor. In no event shall the amounts to be paid to the Distributor exceed the rate of fees to be paid by the Fund to the Distributor set forth in paragraph (a) of this section 3.

4. SELECTION AND NOMINATION OF TRUSTEES. While this Plan is in effect, the selection and nomination of those persons to be Trustees of the Fund who are not "interested persons" of the Fund ("Disinterested Trustees") shall be committed to the discretion of such Disinterested Trustees. Nothing herein shall prevent the Disinterested Trustees from soliciting the views or the involvement of others in such selection or nomination if the final decision on any such selection and nomination is approved by a majority of the incumbent Disinterested Trustees.

5. REPORTS. While this Plan is in effect, the Treasurer of the Fund shall provide written reports to the Fund's Board for its review, detailing services rendered in connection with the distribution of the Shares, the amount of all payments made and the purpose for which the payments were made. The reports shall be provided quarterly, and shall state whether all provisions of Section 3

of this Plan have been complied with.

6. RELATED AGREEMENTS. Any agreement related to this Plan shall be in writing and shall provide that: (i) such agreement may be terminated at any time, without payment of any penalty, by a vote of a majority of the Independent Trustees or by a vote of the holders of a "majority" (as defined in the 1940 Act) of the Fund's outstanding voting securities of the Class, on not more than sixty days written notice to any other party to the agreement; (ii) such agreement shall automatically terminate in the event of its assignment (as defined in the 1940 Act); (iii) it shall go

into effect when approved by a vote of the Board and its Independent Trustees cast in person at a meeting called for the purpose of voting on such agreement; and (iv) it shall, unless terminated as herein provided, continue in effect from year to year only so long as such continuance is specifically approved at least annually by a vote of the Board and its Independent Trustees cast in person at a meeting called for the purpose of voting on such continuance.

7. EFFECTIVENESS, CONTINUATION, TERMINATION AND AMENDMENT. This Plan has been approved by a vote of the Board and its Independent Trustees cast in person at a meeting called on January 10, 1996, for the purpose of voting on this Plan, and shall take effect as of the date first set forth above. Unless terminated as hereinafter provided, it shall continue in effect from year to year from the date first set forth above or as the Board may otherwise determine only so long as such continuance is specifically approved at least annually by a vote of the Board and its Independent Trustees cast in person at a meeting called for the purpose of voting on such continuance. This Plan may not be amended to increase materially the amount of payments to be made without approval of the Class C Shareholders, in the manner described above, and all material amendments must be approved by a vote of the Board and of the Independent Trustees. This Plan may be terminated at any time by vote of a majority of the Independent Trustees or by the vote of the holders of a "majority" (as defined in the 1940 Act) of the Fund's outstanding voting securities of the Class. In the event of such termination, the Board and its Independent Trustees shall determine whether the Distributor shall be entitled to payment from the Fund of all or a portion of the Service Fee and/or the Asset-Based Sales Charge in respect of Shares sold prior to the effective date of such termination.

8. DISCLAIMER OF SHAREHOLDER AND TRUSTEE LIABILITY. The Distributor understands that the obligations of the Fund under this Plan are not binding upon any Trustee or shareholder of the Fund personally, but bind only the Fund and the Fund's property. The Distributor represents that it has notice of the provisions of the Declaration of Trust of the Fund disclaiming shareholder and Trustee liability for acts or obligations of the Fund.

OPPENHEIMER BOND FUND FOR GROWTH

By:

Andrew J. Donohue, Secretary

OPPENHEIMER FUNDS DISTRIBUTOR, INC.

By:

Katherine P. Feld, Vice President
& Secretary

EXHIBIT 18

OPPENHEIMER FUNDS MULTIPLE CLASS PLAN

January 5, 1996

1. THE PLAN. This Plan is the written multiple class plan for each of the open-end management investment companies (individually the "Fund" and collectively the "Funds") named on Exhibit A hereto, which exhibit may be revised from time to time, for OppenheimerFunds Distributor, Inc. (the "Distributor"), the general distributor of shares of the Funds and for OppenheimerFunds, Inc. (the "Advisor"), the investment advisor of the Funds. In instances where such investment companies issue shares representing interests in different portfolios ("Series"), the term "Fund" and "Funds" shall separately refer to each Series. It is the written plan contemplated by Rule 18f-3 (the "Rule") under the Investment Company Act of 1940 (the "1940 Act"), pursuant to which the Funds may issue multiple classes of shares. The terms and provisions of this Plan shall be interpreted and defined in a manner consistent with the provisions and definitions contained in the Rule.

2. SIMILARITIES AND DIFFERENCES AMONG CLASSES. Each Fund offering shares of more than one class agrees that each class of that Fund:

(1) (i) shall have a separate service plan or distribution and service plan ("12b-1 Plan"), and shall pay all of the expenses incurred pursuant to that arrangement; and (ii) may pay a different share of expenses ("Class Expenses") if such expenses are actually incurred in a different amount by that class, or if the class receives services of a different kind or to a different degree than that of other classes. Class Expenses are those expenses specifically attributable to the particular class of shares, namely (a) 12b-1 Plan fees, (b) transfer and shareholder servicing agent fees and administrative service fees, (c) shareholder meeting expenses, (d) blue sky and SEC registration fees and (e) any other incremental

expenses subsequently identified that should be allocated to one class which shall be approved by a vote of that Fund's Board of Directors, Trustees or Managing General Partners (the "Directors"). Expenses identified in Items (c) through (e) may involve issues relating either to a specific class or to the entire Fund; such expenses constitute Class Expenses only when they are attributable to a specific class. Because Class Expenses may be accrued at

different rates for each class of a single Fund, dividends distributable to shareholders and net asset values per share may differ for shares of different classes of the same Fund.

(2) shall have exclusive voting rights on any matters that relate solely to that class's arrangements, including without limitation voting with respect to a 12b-1 Plan for that class;

(3) shall have separate voting rights on any matter submitted to shareholders in which the interests of one class differ from the interests of any other class;

(4) may have a different arrangement for shareholder services, including different sales charges, sales charge waivers, purchase and redemption features, exchange privileges, loan privileges, the availability of certificated shares and/or conversion features; and

(5) shall have in all other respects the same rights and obligations as each other class.

3. ALLOCATIONS OF INCOME, CAPITAL GAINS AND LOSSES AND EXPENSES. The methodologies and procedures for allocating expenses, as set forth in "Methodology for Net Asset Value (NAV) and Dividend and Distribution Determinations for Oppenheimer Funds with Multiple Classes of Shares" are re-approved. Income, realized and unrealized capital gains and losses, and expenses of each Fund other than Class Expenses allocated to a particular class shall be allocated to each class on the basis of the net asset value of that class in relation to the net asset value of that Fund, except as follows: For Funds operating under 1940 Act Rule 2a-7, such allocations shall be made on the basis of relative net

-2-

assets (settled shares) [net assets valued in accordance with generally accepted accounting principles but excluding the value of subscriptions receivable] in relation to the net assets of that Fund.

4. EXPENSE WAIVERS AND REIMBURSEMENTS. From time to time the Advisor may voluntarily undertake to (i) waive any portion of the management fee charged to a Fund, and/or (ii) reimburse any portion of the expenses of a Fund or of one or more of its classes, but is not required to do so or to continue to do so for any period of time. The quarterly report by the Advisor to the Directors of Fund expense reimbursements shall disclose any reimbursements that are not equal for all classes of the same Fund.

5. CONVERSIONS OF SHARES. Any Fund may offer a conversion feature whereby shares of one class ("Purchase Class Shares") will convert automatically to shares of

another class ("Target Class Shares") of that Fund, after being held for a requisite period ("Matured Purchase Class Shares"), pursuant to the terms and conditions of that Fund's Prospectus and/or Statement of Additional Information. Upon conversion of Matured Purchase Class Shares, all Purchase Class Shares of that Fund acquired by reinvestment of dividends or distributions of such Matured Purchase Class Shares shall also be converted at that time. Purchase Class Shares will convert into Target Class Shares of that Fund on the basis of the relative net asset values of the two classes, without the imposition of any sales load, fee or other charge. The conversion feature shall be offered for so long as (i) the expenses to which Target Class Shares of a Fund are subject, including payments authorized under that Fund's Target Class 12b-1 plan, are not higher than the expenses of Purchase Class Shares of that Fund, including payments authorized under that Fund's Purchase Class 12b-1 plan; (ii) there continues to be available a ruling from the Internal Revenue Service, or of an opinion of counsel or of an opinion of an auditing firm serving as tax adviser, to the effect that the conversion of Purchase Class Shares to Target Class

-3-

Shares does not constitute a taxable event for the holder; and (iii) if the amount of expenses to which Target Class Shares of a Fund are subject, including payments authorized under that Fund's Target Class 12b-1 plan, is increased materially without approval of the shareholders of Purchase Class Shares of that Fund, that Fund will establish a new class of shares ("New Target Class Shares") and shall take such other action as is necessary to provide that existing Purchase Class Shares are exchanged or converted into New Target Class Shares, identical in all material respects to Target Class Shares as they existed prior to implementation of the proposal to increase expenses, no later than the date such shares previously were scheduled to convert into Target Class Shares.

6. DISCLOSURE. The classes of shares to be offered by each Fund, and the initial, asset-based or contingent deferred sales charges and other material distribution arrangements with respect to such classes, shall be disclosed in the prospectus and/or statement of additional information used to offer that class of shares. Such prospectus or statement of additional information shall be supplemented or amended to reflect any change(s) in classes of shares to be offered or in the material distribution arrangements with respect to such classes.

7. INDEPENDENT AUDIT. The methodology and procedures for calculating the net asset value, dividends and distributions of each class shall be reviewed by an independent auditing firm (the "Expert"). At least annually, the Expert, or an appropriate substitute expert, will render a report to the Funds on policies and procedures placed in operation and tests of operating effectiveness as defined and described in SAS 70 of the AICPA.

8. OFFERS AND SALES OF SHARES. The Distributor will maintain compliance standards as to when each class of shares may appropriately be sold to particular investors, and will require all persons selling shares of the Funds to agree to conform to such standards.

-4-

9. RULE 12B-1 PAYMENTS. The Treasurer of each Fund shall provide to the Directors of that Fund, and the Directors shall review, at least quarterly, the written report required by that Fund's 12b-1 Plan, if any. The report shall include information on (i) the amounts expended pursuant to the 12b-1 Plan, (ii) the purposes for which such expenditures were made and (iii) the amount of the Distributor's unreimbursed distribution costs (if recovery of such costs in future periods is permitted by that 12b-1 Plan), taking into account 12b-1 Plan payments and contingent deferred sales charges paid to the Distributor.

10. CONFLICTS. On an ongoing basis, the Directors of the Funds, pursuant to their fiduciary responsibilities under the 1940 Act and otherwise, will monitor the Funds for the existence of any material conflicts among the interests of the classes. The Advisor and the Distributor will be responsible for reporting any potential or existing conflicts to the Directors. In the event a conflict arises, the Directors shall take such action as they deem appropriate.

11. EFFECTIVENESS AND AMENDMENT. This Plan takes effect for each Fund as of the date of adoption shown below for that Fund, whereupon the Funds are released from the terms and conditions contained in their respective exemptive applications pursuant to which orders were issued exempting the respective Funds from the provisions of Sections 2(a)(32), 2(a)(35), 18(f), 18(g), 18(i), 22(c) and 22(d) of the 1940 Act and Rule 22c-1 thereunder, or from their respective previous multiple class plan.¹ This Plan has been approved by a majority vote of the Board of each Fund and of each Fund's Board members who are not "interested persons" (as defined in the 1940 Act) and who have no direct or indirect financial interest in the operation of the Plan or any agreements

-5-

¹ Oppenheimer Management Corp. et al., Release IC-19821, 10/28/93 (notice) and Release IC-19894, 11/23/93 (order), and Quest for Value Fund, Inc. et al., Release IC-19605, 7/30/93 (notice) and Release IC-19656, 8/25/93 (order); Rochester Funds Multiple Class Plan.

relating to the Plan (the "Independent Trustees") of each Fund at meetings called for (i) the Denver Oppenheimer Funds listed on Exhibit A on October 24, 1995, (ii) the New York Oppenheimer Funds listed on Exhibit A on October 5, 1995, (iii) the Quest Oppenheimer Funds listed on Exhibit A on November 28, 1995, and (iv) the Rochester Oppenheimer Funds listed on Exhibit A on January 10, 1996, in each case for the purpose of voting on this Plan. Prior to that vote, (i) each Board was furnished by the methodology used for net asset value and dividend and distribution determinations for the Funds, and (ii) a majority of each Board and its Independent Trustees determined that the Plan as proposed to be adopted, including the expense allocation, is in the best interests of each Fund as a whole and to each class of each Fund individually. Prior to any material amendment to the Plan, each Board shall request and evaluate, and OFDI shall furnish, such information as may be reasonably necessary to evaluate such amendment, and a majority of each Board and its Independent Trustees shall find that the Plan as proposed to be amended, including the expense allocation, is in the best interest of each class, each Fund as a whole and each class of each Fund individually.

12. DISCLAIMER OF SHAREHOLDER AND TRUSTEE LIABILITY. The Distributor understands that the obligations under this Plan of each Fund that is organized as a Massachusetts business trust are not binding upon any Trustee or shareholder of such Fund personally, but bind only that Fund and the Fund's property. The Distributor represents that it has notice of the provisions of the Declarations of

-6-

Trust of such Funds disclaiming shareholder and Trustee liability for acts or obligations of the Funds.

Adopted by the Boards of the Denver Oppenheimer Funds on October 24, 1995.

/s/ Andrew J. Donohue

Andrew J. Donohue, Vice President
Denver Oppenheimer Funds

Adopted by the Boards of the New York Oppenheimer Funds on October 5, 1995.

/s/ Andrew J. Donohue

Andrew J. Donohue, Secretary
New York Oppenheimer Funds

Adopted by the Boards of the Quest Oppenheimer Funds on November 28, 1995.

/s/ Andrew J. Donohue

Andrew J. Donohue, Secretary
Quest Oppenheimer Funds

Adopted by the Boards of the Rochester Oppenheimer Funds on January 10, 1996.

/s/ Andrew J. Donohue

Andrew J. Donohue, Secretary
Rochester Oppenheimer Funds

-7-

Exhibit A

1. DENVER OPPENHEIMER FUNDS

Oppenheimer Cash Reserves

Oppenheimer Champion Income Fund

Oppenheimer Equity Income Fund

Oppenheimer Limited-Term Government Fund

Oppenheimer Integrity Funds

(consisting of the following 2 series):

Oppenheimer Bond Fund

Oppenheimer Value Stock Fund

Oppenheimer High Yield Fund

Oppenheimer Main Street Funds, Inc.

(consisting of the following 2 series):

Oppenheimer Main Street Income & Growth Fund

Oppenheimer Main Street California Tax-Exempt Fund

Oppenheimer Strategic Funds Trust

(consisting of the following series):

Oppenheimer Strategic Income Fund

Oppenheimer Strategic Income & Growth Fund

Oppenheimer Tax-Exempt Fund

(consisting of the following 2 series):

Oppenheimer Insured Tax-Exempt Fund

Oppenheimer Intermediate Tax-Exempt Fund

Oppenheimer Total Return Fund, Inc.

2. NEW YORK OPPENHEIMER FUNDS

Oppenheimer Asset Allocation Fund

Oppenheimer California Tax-Exempt Fund

Oppenheimer Discovery Fund

Oppenheimer Enterprise Fund

Oppenheimer Global Emerging Growth Fund

Oppenheimer Global Fund

Oppenheimer Global Growth & Income Fund

Oppenheimer Gold & Special Minerals Fund

Oppenheimer Growth Fund

Oppenheimer Fund

Oppenheimer International Equity Fund

Oppenheimer Multi-State Tax-Exempt Trust

(consisting of the following 3 series):

Oppenheimer Florida Tax-Exempt Fund

Oppenheimer New Jersey Tax-Exempt Fund

Oppenheimer Pennsylvania Tax-Exempt Fund

Oppenheimer New York Tax-Exempt Fund

Oppenheimer Target Fund

Oppenheimer Tax-Free Bond Fund

-8-

Oppenheimer U.S. Government Trust

3. QUEST OPPENHEIMER FUNDS

Oppenheimer Quest Value Fund, Inc.

Oppenheimer Quest for Value Funds

(consisting of the following 4 series:)

Oppenheimer Quest Opportunity Value Fund

Oppenheimer Quest Small Cap Value Fund

Oppenheimer Quest Value Growth & Income Fund

Oppenheimer Quest Officers Value Fund

Oppenheimer Quest Global Value Fund, Inc.

4. ROCHESTER OPPENHEIMER FUNDS

Rochester Fund Series - The Bond Fund for Growth

Rochester Fund Municipals

Rochester Portfolio Series - Limited Term New York

Municipal Fund

EXHIBIT 99

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned constitutes and appoints Andrew J. Donohue, Robert G. Zack or Merryl Hoffman, and each of them, her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for her and in her capacity as Chairman of the Board of Trustees, President (Principal Executive Officer) and Trustee of ROCHESTER FUND SERIES--THE BOND FUND FOR GROWTH, a Massachusetts business trust (the "Fund"), to sign on her behalf any and all Registration Statements (including any post-effective amendments to Registration Statements) under the Securities Act of 1933, the Investment Company Act of 1940 and any amendments and supplements thereto, and other documents in connection thereunder, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully as to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, may lawfully do or cause to be done by virtue hereof.

Dated this 10th day of January, 1996.

/s/ Bridget A. Macaskill

Bridget A. Macaskill

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned constitutes and appoints Andrew J. Donohue, Robert G. Zack or Merryl Hoffman, and each of them,

his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his capacity as Trustee of ROCHESTER FUND SERIES--THE BOND FUND FOR GROWTH, a Massachusetts business trust (the "Fund"), to sign on his behalf any and all Registration Statements (including any post-effective amendments to Registration Statements) under the Securities Act of 1933, the Investment Company Act of 1940 and any amendments and supplements thereto, and other documents in connection thereunder, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully as to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, may lawfully do or cause to be done by virtue hereof.

Dated this 10th day of January, 1996.

/s/ Paul Y. Clinton

Paul Y. Clinton

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned constitutes and appoints Andrew J. Donohue, Robert G. Zack or Merryl Hoffman, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his capacity as Treasurer (Principal Financial and Accounting Officer) of ROCHESTER FUND SERIES - THE BOND FUND FOR GROWTH, a Massachusetts business trust (the "Fund"), to sign on his behalf any and all Registration Statements (including any post-effective amendments to Registration Statements) under the Securities Act of 1933, the Investment Company Act of 1940 and any amendments and supplements thereto, and other documents in connection thereunder, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully as to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and

agents, and each of them, may lawfully do or cause to be done by virtue hereof.

Dated this 10th day of January, 1996.

/s/ George C. Bowen

George C. Bowen

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned constitutes and appoints Andrew J. Donohue, Robert G. Zack or Merryl Hoffman, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his capacity as Trustee of ROCHESTER FUND SERIES--THE BOND FUND FOR GROWTH, a Massachusetts business trust (the "Fund"), to sign on his behalf any and all Registration Statements (including any post-effective amendments to Registration Statements) under the Securities Act of 1933, the Investment Company Act of 1940 and any amendments and supplements thereto, and other documents in connection thereunder, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully as to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, may lawfully do or cause to be done by virtue hereof.

Dated this 10th day of January, 1996.

/s/ Thomas W. Courtney

Thomas W. Courtney

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned constitutes and appoints Andrew J. Donohue, Robert G. Zack or Merryl Hoffman, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his capacity as Trustee of ROCHESTER FUND SERIES--THE BOND FUND FOR GROWTH, a Massachusetts business trust (the "Fund"), to sign on his behalf any and all Registration Statements (including any post-effective amendments to Registration Statements) under the Securities Act of 1933, the Investment Company Act of 1940 and any amendments and supplements thereto, and other documents in connection thereunder, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully as to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, may lawfully do or cause to be done by virtue hereof.

Dated this 10th day of January, 1996.

/s/ George Loft

George Loft

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned constitutes and appoints Andrew J. Donohue, Robert G. Zack or Merryl Hoffman, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his capacity as Trustee of

ROCHESTER FUND SERIES--THE BOND FUND FOR GROWTH, a Massachusetts business trust (the "Fund"), to sign on his behalf any and all Registration Statements (including any post-effective amendments to Registration Statements) under the Securities Act of 1933, the Investment Company Act of 1940 and any amendments and supplements thereto, and other documents in connection thereunder, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully as to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, may lawfully do or cause to be done by virtue hereof.

Dated this 10th day of January, 1996.

/s/ Lacy B. Herrmann

Lacy B. Herrmann

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned constitutes and appoints Andrew J. Donohue, Robert G. Zack or Merryl Hoffman, and each of them, her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his capacity as Trustee of ROCHESTER FUND SERIES--THE BOND FUND FOR GROWTH, a Massachusetts business trust (the "Fund"), to sign on his behalf any and all Registration Statements (including any post-effective amendments to Registration Statements) under the Securities Act of 1933, the Investment Company Act of 1940 and any amendments and supplements thereto, and other documents in connection thereunder, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully as to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, may lawfully do or cause to be done by virtue hereof.

Dated this 10th day of January, 1996.

/s/ John Cannon

John Cannon