

SECURITIES AND EXCHANGE COMMISSION

FORM 485APOS

Post-effective amendments [Rule 485(a)]

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FILER

OPPENHEIMER INTEGRITY FUNDS

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DENVER CO 80231
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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC. 20549
FORM N-1A

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 / X /

PRE-EFFECTIVE AMENDMENT NO.

POST-EFFECTIVE AMENDMENT NO. 19 / X /
and/or

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

AMENDMENT NO. 20 / X /

OPPENHEIMER INTEGRITY FUNDS
(Exact Name of Registrant as Specified in Charter)

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

1-303-671-3200
(Registrant's Telephone Number)

ANDREW J. DONOHUE, ESQ.
Oppenheimer Management Corporation
Two World Trade Center - Suite 3400
New York, New York 10048-0203
(Names and Addresses of Agent for Service)

It is proposed that this filing will become effective

/ / Immediately upon filing pursuant to
paragraph (b)

/ / On _____, pursuant to paragraph (b)

/ / 60 days after filing pursuant to paragraph (a)

/ X / On May 1, 1994, pursuant to paragraph (a) of
Rule 485

The Registrant has registered an indefinite number or amount of its shares under the Securities Act of 1933 pursuant to Rule 24f-2 promulgated under the Investment Company Act of 1940. A Rule 24f-2 Notice for the Registrant's fiscal year ended December 31, 1993, will be filed by February 28, 1994.

FORM N-1A

OPPENHEIMER INTEGRITY FUNDS

Cross Reference Sheet

Prospectus for Oppenheimer Investment Grade Bond Fund

Part A of
Form N-1A

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6	Dividends, Capital Gains and Taxes
7	How to Exchange Shares; Special Investor Services, Service Plan for Class A Shares; Distribution and Service Plan for Class B Shares; How to Buy Shares; How to Sell Shares
8	How to Sell Shares; How to Exchange Shares; Special Investor Services
9	*

Prospectus for Oppenheimer Value Stock Fund

Part A of
Form N-1A

Item No.	Prospectus Heading
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1	Cover Page
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5	Expenses; How the Fund is Managed; Back Cover
5A	Performance of the Fund
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7	How to Exchange Shares; Special Investor Services, Service Plan for Class A Shares; Distribution and Service Plan for Class B Shares; How to Buy Shares; How to Sell Shares
8	How to Sell Shares; How to Exchange Shares; Special Investor Services
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* Not applicable or negative answer.

FORM N-1A

OPPENHEIMER INTEGRITY FUNDS

Cross Reference Sheet

Statement of Additional Information for Oppenheimer Investment Grade Bond Fund

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Item No.	Statement of Additional Information Heading
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11	Cover Page
12	*
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Statement of Additional Information for Oppenheimer Value Stock Fund

Part B of
Form N-1A

Item No.	Statement of Additional Information Heading
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10	Cover Page
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13	Investment Objective and Policies; Additional Investment Restrictions;
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* Not applicable or negative answer.

Oppenheimer Investment Grade Bond Fund

Prospectus dated 5/1/94

Oppenheimer Investment Grade Bond Fund (the "Fund") is a mutual fund with the investment objective of seeking to achieve a high level of current income consistent with prudent investment risk and the stability of capital primarily through investment in a diversified portfolio of investment grade fixed-income securities. You should carefully review the risks associated with an investment in the Fund. Please refer to "Special Risks" on page __.

The Fund offers two classes of shares: (1) Class A shares sold at a public offering price that includes a front-end sales charge, and (2) Class B shares, which are sold without a front-end sales charge, although

you may pay a sales charge when you redeem your shares, depending on how long you own them. Class B shares are also subject to an annual "asset-based sales charge." Each class of shares bears different expenses. In deciding which class of shares to buy, you should consider how much you plan to purchase, how long you plan to keep your shares, and other factors discussed in "How to Buy Shares" on page ____.

This Prospectus explains concisely what you should know before investing in the Fund. Please read it carefully and keep it for future reference. You can find more detailed information about the Fund in the May 1, 1994, Statement of Additional Information. For a free copy, call Oppenheimer Shareholder 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 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).

Shares of the Fund are not deposits or obligations of any bank, nor are they guaranteed by any bank or insured by the F.D.I.C. or any other agency, and involve investment risks including possible loss of principal.

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

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INFORMATION ABOUT THE FUND

Expenses

The Fund pays a variety of expenses directly for management of its assets, administration, distribution and other services and those expenses are reflected in the Fund's net asset value per share. As a shareholder, you pay these expenses indirectly. Shareholders pay other expenses directly, such as sales charges. The following tables are provided to help you understand your direct expenses of investing and your share of the Fund's operating expenses you might expect to bear indirectly, based on the Fund's expenses during its fiscal year ended December 31, 1993.

- Shareholder Transaction Expenses are charges you pay when you buy or sell shares of the Fund. Please refer to pages ____ through ____ for an explanation of how and when these charges apply.

	Class A Shares -----	Class B Shares -----
Maximum Sales Charge on Purchases (as a % of offering price)	4.75%	None
Sales Charge on Reinvested Dividends	None	None
Deferred Sales Charge (as a % of the lower of the original purchase price or redemption proceeds)	None*	5% in the first year, declining to 1% in the sixth year and eliminated thereafter
Exchange Fee	\$5.00**	\$5.00**

*If you invest more than \$1 million 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 during which you purchased those shares. See "How to Buy Shares - Class A Shares," below.

**Fee is waived for automated exchanges on PhoneLink, described in "How to Buy Shares."

- Annual Fund Operating Expenses are paid out of the Fund's assets. The Fund pays management fees to its investment adviser, Oppenheimer Management Corporation (the "Manager") and other regular expenses for services, such as transfer agent fees, custodial fees, audit, legal and other business expenses. The following numbers are projections based on the Fund's historical expenses and are calculated as a percentage of average net assets. The actual numbers may be more or less, depending on a number of factors, including the Fund's actual net assets.

	Class A Shares	Class B Shares
Management Fees	%	%
12b-1 Distribution Plan Fees	%	%
Shareholder Service Plan Fees	%	%
Other Expenses	%	%
Total Fund Operating Expenses	%	%

- Examples. Assume that you made a \$1,000 investment in the Fund, that the Fund's annual return is 5% and that its operating expenses are as described above in the charts.

If you redeemed your shares at the end of each period below, your investment would incur the following expenses:

	1 year	3 years	5 years	10 years*
Class A Shares	\$	\$	\$	\$
Class B Shares	\$	\$	\$	\$

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

Class A Shares	\$	\$	\$	\$
Class B Shares	\$	\$	\$	\$

* The Class B expenses in years 7 through 10 are based on the Class A expenses shown above, because the Fund automatically converts your Class B shares into Class A shares after 6 years. Long-term Class B shareholders could pay the economic equivalent of more than the maximum front-end sales charge allowed under applicable regulations, because of the effect of the asset-based sales charge and contingent deferred sales charge. The automatic conversion is designed to minimize the likelihood that this will occur. Please refer to "How to Buy Shares - Class B Shares" for more information.

This example illustrates the effect of expenses on an investment, but it is not meant to state or predict actual or expected costs or investment returns, all of which will vary.

Financial History

The table on this page presents selected per share data and ratios for the Fund. This information has been audited by Deloitte & Touche, the Fund's independent auditors, whose report on the Fund's financial statements is included in the Annual Report in the Statement of Additional Information. The information in the table for the fiscal periods prior to 1991 was audited by the Fund's previous independent auditors. No Class B shares were publicly sold prior to May 3, 1993.

Investment Objective and Policies

Objective. The Fund seeks to achieve a high level of current income consistent with prudent investment risk and the stability of capital primarily through investment in a diversified portfolio of investment grade fixed-income securities.

Investment Policies and Strategies. It is a policy of the Fund to purchase only the following fixed-income securities:

(1) Publicly issued debt securities which at the date of investment are rated AAA, AA, A or BBB by Standard & Poor's Corporation ("Standard & Poor's") or Aaa, Aa, A or Baa by Moody's Investors Service, Inc. ("Moody's") or, if unrated, are of comparable quality as determined by the Sub-Adviser, under the supervision of the Trustees;

(2) Securities issued, assumed or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities or obligations secured by such securities ("U.S. Government Securities"). U.S. Government Securities include:

- (a) U.S. Treasury bills, notes and bonds, which are direct obligations of the U.S. Government; and
- (b) obligations issued, assumed, guaranteed or sponsored by the U.S. Government which are supported by: (i) the full faith and credit of the U.S. Government (e.g., Government National Mortgage Association ("GNMA") certificates); (ii) the right of issuer to borrow an amount limited to a specific line of credit from the U.S. Government (e.g., securities of the Federal Home Loan Bank Board); (iii) the credit of the instrumentality (e.g., bonds issued by the Federal National Mortgage Association ("FNMA")); or (iv) discretionary authority of

the U.S. Government to repurchase certain obligations of U.S. Government agencies or instrumentalities. The agencies and instrumentalities that issue U.S. Government Securities include, among others specifically mentioned in this Prospectus: Federal Land Banks, the Farmers Home Administration, the Central Bank for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks, Federal Farm Credit Banks and the U.S. Maritime Administration.

(3) High-quality, short-term money market instruments, including: U.S. Treasury and agency obligations; commercial paper which at the date of the investment is rated A-1 or A-2 by Standard & Poor's or P-1 or P-2 by Moody's or, if unrated, is issued by companies having an outstanding debt issue currently rated at least A by Standard & Poor's or Moody's; short-term obligations of corporate issuers which at the date of investment are rated AAA or AA by Standard & Poor's or Aaa or Aa by Moody's; bank participation certificates provided that at the date of investment each of the underlying loans is made to an issuer of securities rated at least A-2, AA or SP-2 by Standard & Poor's or P-2 or Aa by Moody's, and also provided that the underlying loans have a remaining maturity of one year or less; and certificates of deposit and bankers' acceptances of banks and savings and loan associations.

Under normal market conditions, it is anticipated that the weighted average life of the Fund's portfolio will be between 5 and 10 years. The dollar-weighted average portfolio maturity of the Fund as of December 31, 1993, was ___ years.

The Fund may enter into repurchase agreements, lend its portfolio securities, enter into forward commitments, purchase securities on a "when issued" basis and purchase foreign securities, as described below. In addition, the Fund, for hedging and other appropriate risk management purposes, may buy call and put options on individual securities or on securities indices, sell ("write") covered call and put options on individual securities or on securities indices, enter into futures contracts based on appropriate financial instruments or securities indices and purchase and write options on such futures contracts (collectively referred to as "Hedging Instruments"). The Fund will limit margin deposits and premiums paid in connection with the activities described in the preceding sentence to 5% of its total assets.

While the Fund will generally purchase only investment grade debt securities as described above, the Fund is permitted to hold lower-rated securities, and any securities downgraded to a lower rating, until investment considerations indicate that their sale is appropriate or until maturity. Lower-rated securities, while generally offering higher current income and greater opportunities for gain than investments in higher-rated securities, may be considered speculative and involve greater volatility of price and risk of principal and income default than securities in the higher-rated categories. Lower-rated debt securities generally tend to reflect short-term corporate and market developments to a greater extent

than higher-rated securities, which react primarily to fluctuations in the general level of interest rates. The Sub-Adviser seeks to reduce these risks through diversification, credit analysis and attention to current developments and trends in both the economy and the financial markets.

- Portfolio Turnover. The length of time the Fund has held a security is not generally a consideration in investment decisions. A change in the securities held by the Fund is known as "portfolio turnover." As a result of the Fund's investment policies and market factors, the Fund will trade its portfolio actively to try to benefit from short-term yield differences among debt securities and as a result the Fund's portfolio turnover may be higher than other mutual funds, although it is not expected to be more than 200% each year. This strategy may involve greater transaction costs from brokerage commissions and dealer mark-ups. Additionally, high portfolio turnover may result in increased short-term capital gains and affect the ability of the Fund to qualify for tax deductions for payments made to shareholders as a "regulated investment company" under the Internal Revenue Code. The Fund qualified in its last fiscal year and intends to do so in the coming year, although it reserves the right not to qualify.

- Interest Rate Risks. In addition to credit risks, described below, debt securities are subject to changes in value due to changes in prevailing interest rates. When prevailing interest rates fall, the values of outstanding debt securities generally rise. Conversely, when interest rates rise, the values of outstanding debt securities generally decline. The magnitude of these fluctuations will be greater when the average maturity of the portfolio securities is longer.

- Credit Risks. Debt securities are also subject to credit risks. Credit risk relates to the ability of the issuer of a debt security to make interest or principal payments on the security as they become due. Generally, higher-yielding, lower-rated bonds (which are the type of bonds the Fund seeks to invest in) are subject to greater credit risk than higher-rated bonds. Securities issued or guaranteed by the U.S. Government are subject to little, if any, credit risk if they are backed by the "full faith and credit of the U.S. Government," which in general terms means that the U.S. Treasury stands behind the obligation to pay interest and principal. While the Manager may rely to some extent on credit ratings by nationally recognized rating agencies, such as Standard & Poor's or Moody's, in evaluating the credit risk of securities selected for the Fund's portfolio, it may also use its own research and analysis. However, many factors affect an issuer's ability to make timely payments, and there can be no assurance that the credit risks of a particular security will not change over time.

- Can the Fund's Investment Objective and Policies Change? The Fund has an investment objective, which is described above, as well as investment policies that it follows to try to achieve its objective. Additionally, it uses certain investment techniques and strategies in

carrying out those policies. The Fund's investment policies and practices are not "fundamental" unless a particular policy is identified in this Prospectus as "fundamental."

Fundamental policies are those that cannot be changed without the approval of a "majority" of the Fund's outstanding voting shares. The term "majority" is defined in the Investment Company Act to be a particular level of shareholder approval (and this term is explained in the Statement of Additional Information). The Fund's investment objective is a "fundamental policy." The Fund's Board of Trustees may change non-fundamental policies, strategies and techniques without shareholder approval, although significant changes will be described in amendments to this Prospectus.

Securities of Foreign Governments and Companies. The Fund may invest in debt and equity securities issued or guaranteed by foreign companies, and debt securities of foreign governments or their agencies. These foreign securities may include debt obligations such as government bonds, debentures issued by companies, as well as notes. Some of these debt securities may have variable interest rates or "floating" interest rates that change in different market conditions. Those changes will affect the income the Fund receives. These securities are described in more detail in the Statement of Additional Information.

The Fund is not restricted in the amount of its assets it may invest in foreign countries or in which countries. However, if the Fund's assets are held abroad, the countries in which they are held and the sub-custodians holding them must be approved by the Fund's Board of Trustees.

- Risks of Foreign Securities. Investing in foreign securities, especially those issued in underdeveloped countries, generally involves special risks. For example, foreign issuers are not subject to the same accounting and disclosure requirements that U.S. companies are subject to. The value of foreign investments may be affected by changes in foreign currency rates, exchange control regulations, expropriation or nationalization of a company's assets, foreign taxes, delays in settlement of transactions, changes in governmental economic or monetary policy in the U.S. or abroad, or other political and economic factors. If the Fund distributes more income during a period than it earns because of unfavorable currency exchange rates, those dividends may later have to be considered a return of capital. More information about the risks and potential rewards of foreign securities is contained in the Statement of Additional Information.

U.S. Government Securities. The Fund may invest in debt securities issued or guaranteed by the U.S. Government or its agencies and instrumentalities ("U.S. Government Securities"). Certain U.S. Government securities, including U.S. Treasury bills, notes and bonds, and mortgage participation certificates guaranteed by Government National Mortgage Association ("Ginnie Mae") are supported by the full faith and credit of

the U.S. government. Ginnie Mae certificates are one type of mortgage-related U.S. Government Security the Fund invests in. Other mortgage-related U.S. Government Securities the Fund invests in that are issued or guaranteed by federal agencies or government-sponsored entities are not supported by the full faith and credit of the U.S. government. Those securities include obligations supported by the right of the issuer to borrow from the U.S. Treasury, such as obligations of Federal Home Loan Mortgage Corporation ("Freddie Mac") and obligations supported only by the credit of the instrumentality, such as Federal National Mortgage Association ("Fannie Mae"). Other U.S. Government Securities the Funds invests in may be zero coupon Treasury securities and collateralized mortgage obligations ("CMOs").

Although U.S. Government Securities involve little credit risk, their values will fluctuate depending on prevailing interest rates. Because the yields on U.S. Government Securities are generally lower than on corporate debt securities, when the Fund holds U.S. Government Securities it may attempt to increase the income it can earn from them by writing covered call options against them, when market conditions are appropriate. Writing covered calls is explained below, under "Other Investment Techniques and Strategies."

- Zero Coupon Treasury Securities. Zero coupon Treasury securities generally are U.S. Treasury notes or bonds that have been "stripped" of their interest coupons, U.S. Treasury bills issued without interest coupons, or certificates representing an interest in the stripped securities. A zero coupon Treasury security pays no current interest and trades at a deep discount from its face value and will be subject to greater market fluctuations from changes in interest rates than interest-paying securities. The Fund accrues interest on its holdings without receiving the actual cash. As a result, the Fund may be forced to sell portfolio securities to pay cash dividends or meet redemptions.

- Mortgage-Backed U.S. Government Securities and CMOs. Certain mortgage-backed U.S. Government securities "pass-through" to investors the interest and principal payments generated by a pool of mortgages assembled for sale by government agencies. Pass-through mortgage-backed securities entail the risk that principal may be repaid at any time because of prepayments on the underlying mortgages. That may result in greater price and yield volatility than traditional fixed-income securities that have a fixed maturity and interest rate.

The Fund may also invest in CMOs, which generally are obligations fully collateralized by a portfolio of mortgages or mortgage-related securities. Payment of the interest and principal generated by the pool of mortgages is passed through to the holders as the payments are received. CMOs are issued with a variety of classes or series which have different maturities. Certain CMOs may be more volatile and less liquid than other types of mortgage-related securities, because of the possibility of the prepayment of principal due to prepayments on the underlying mortgage loans.

The Fund may invest in CMOs that are "stripped"; that is, the security is divided into two parts, one of which receives some or all of the principal payments and the other of which receives some or all of the interest. Stripped securities that receive interest only are subject to increased volatility in price due to interest rate changes and have the additional risk that if the principal underlying the CMO is prepaid (which is more likely to happen if interest rates fall), the Fund will lose the anticipated cash flow from the interest on the mortgages that were prepaid.

Other Investment Techniques and Strategies. The Fund may also use the investment techniques and strategies described below, which involve certain risks. The Statement of Additional Information contains more detailed information about these practices, including limitations designed to reduce some of the risks. For more information, please refer to the description of these techniques under the same headings in "Other Investment Techniques and Strategies" in the Statement of Additional Information.

- Options on Securities. The Fund may write covered call options that are traded on United States and foreign securities exchanges ("exchange traded") or over-the-counter, each in accordance with its investment objective and policies. A call option is an agreement, for a premium received by the Fund, that requires the Fund to sell a particular security at a specified price if the option is exercised during the option period. A call option is "covered" when the Fund owns the underlying security covered by the option or has an absolute and immediate right to acquire that security without additional cash consideration (or for additional cash consideration held in a segregated account by the Custodian) upon conversion or exchange of other securities held by it.

The Fund may also write exchange-traded or over-the-counter covered put options, each in accordance with its investment objective and policies. A put option is an agreement, for a premium received by the Fund, that requires the Fund to purchase specified securities at a specified price if the option is exercised during the option period. A put option is "covered" when the Fund's obligation is secured by a deposit in a separate account of U.S. Treasury obligations or cash equal in value to the exercise price of the put option.

The Fund may purchase exchange-traded or over-the-counter call options on any securities in which it may invest in anticipation of an increase in the market value of such securities. The Fund would ordinarily have a gain if the value of the securities increased during the option period above the exercise price sufficiently to cover the premium and would have a loss if the value of the securities remained below the sum of the premium and the exercise price during the option period.

The Fund may purchase exchange-traded or over-the-counter put options

on any securities in which it may invest in anticipation of a decline in the market value of such securities. The Fund may purchase "protective puts" in which the security to be sold may be identical or substantially identical to a security already held by the Fund or to a security which the Fund has the right to purchase. The Fund would ordinarily recognize a gain if the value of the securities decreased during the option period below the exercise price sufficiently to cover the premium and would recognize a loss if the value of the securities remained above the difference between the premium and the exercise price.

The Fund may also enter into "closing purchase transactions." In a closing purchase transaction, the Fund terminates its option position prior to the expiration of such option by purchasing or selling an option on the same security with the same exercise price and expiration date as the option previously written or purchased. These closing transactions enable the Fund immediately to realize gains or minimize losses on its options positions. See "Options on Securities" in the Statement of Additional Information for further details, including the risks to the Fund from options trading.

- Futures Contracts and Options on Futures Contracts. To attempt to protect against the effects of adverse changes in interest rates or market prices (a practice sometimes known as "hedging") and for other appropriate risk management purposes, the Fund may enter into contracts for the future delivery of securities, where the securities which underlie such contracts are permissible investments for the Fund, and index-based futures contracts which are appropriately correlated with the Fund's portfolio. Such futures contracts would obligate the Fund to make or take delivery of certain securities, or in the case of index-based futures contracts, to make or receive a cash settlement, upon expiration of the futures contract.

The Fund may purchase call and put options on futures contracts, which give the Fund the right to sell or assume a position in the underlying futures contract for a specified price at any time during the option period. The Fund may also write call and put options on futures contracts. When a Fund writes a call or put option on a futures contract, the Fund will receive a premium in return for granting to the purchaser the right to buy from the Fund or to sell to the Fund the underlying futures contract for a specified price at any time during the option period. The Fund may also engage in related closing transactions with respect to such options on futures contracts.

When interest rates are rising or market values are falling, the sale of futures contracts can offset a decline in the value of a Fund's current portfolio securities. When interest rates are falling or market values are rising, the purchase of futures contracts can secure better effective rates or prices for the Fund than might later be available in the market when the Fund makes anticipated purchases. The purpose of hedging using futures contracts or options is to establish more certainty than would otherwise be possible for the effective rate of return on portfolio

securities. The Fund will engage in transactions in futures contracts only in an effort to protect against a decline in the value of its securities or an increase in the price of securities that it intends to acquire. The Fund will enter into futures contracts on securities or on securities indexes for defensive purposes only to provide a hedge against fluctuations in the market and not for the purpose of engaging in speculative trading practices. The initial margin deposits for futures contracts and premiums paid for related options may not exceed 5% of the value of the Fund's total assets. The Fund will incur brokerage costs in connection with its futures transactions and will be required to segregate assets to cover contracts or options which would require it to purchase securities. See "Futures Contracts and Options on Futures Contracts" in the Additional Statement for further details, including the risks to the Fund from futures trading.

- Illiquid and Restricted Securities. Under the supervision of the Fund's Board of Trustees, the Manager determines the liquidity of the Fund's investments. Investments may be illiquid because of the absence of a trading market, making it difficult to value them or dispose of them promptly at an acceptable price. A restricted security is one that has a contractual restriction on resale or cannot be sold publicly until it is registered under the Securities Act of 1933. The Fund will not invest more than 10% of its net assets in illiquid or restricted securities (that limit may increase to 15% if certain state laws are changed or the Fund's shares are no longer sold in those states). Certain restricted securities, eligible for resale to qualified institutional purchasers, are not subject to that limit.

- Loans of Portfolio Securities. The Fund may lend its portfolio securities amounting to not more than 25% of its total assets to brokers, dealers and other financial institutions, subject to certain conditions described in the Statement of Additional Information. The Fund presently does not intend to lend its portfolio securities, but if it does, the value of securities loaned is not expected to exceed 5% of the value of its total assets.

- Repurchase Agreements. The Fund may enter into repurchase agreements. There is no limit on the amount of the Fund's net assets that may be subject to repurchase agreements of seven days or less. Repurchase agreements must be fully collateralized. However, if the vendor fails to pay the re-sale price on the delivery date, the Fund may experience costs in disposing of the collateral and losses if there is any delay in doing so.

- Forward Commitments. The Fund may enter into contracts to purchase securities for a fixed price at a specified future date beyond customary settlement time ("forward commitments"). Forward commitments involve a risk of loss if the value of the security to be purchased declines prior to the settlement date, which risk is in addition to the risk of decline in value of the Fund's other assets. The Fund may realize short-term gains or losses upon the sale of forward commitments.

- "When-Issued" and Delayed Delivery Transactions. The Fund may purchase securities on a "when-issued" basis and may purchase or sell securities on a "delayed delivery" basis. These terms refer to securities that have been created and for which a market exists, but which are not available for immediate delivery. There may be a risk of loss to the Fund if the value of the security declines prior to the settlement date.

Other Investment Restrictions. The Fund has other investment restrictions which, together with its investment objective, are "fundamental" policies, that is, subject to change only by approval of a majority of shareholders.

Under the Fund's fundamental policies, it may not do any of the following: (1) make short sales except for sales "against the box"; (2) borrow money or enter into reverse repurchase agreements, except that the Fund may borrow money from banks and enter into reverse repurchase agreements as a temporary measure for extraordinary or emergency purposes (but not for the purpose of making investments), provided that the aggregate amount of all such borrowings and commitments under such agreements does not, at the time of borrowing or of entering into such an agreement, exceed 10% of the Fund's total assets taken at current market value; the Fund will not purchase additional portfolio securities at any time that the aggregate amount of its borrowings and its commitments under reverse repurchase agreements exceeds 5% of the Fund's net assets (for purposes of this restriction, entering into portfolio lending agreements shall not be deemed to constitute borrowing money); (3) concentrate its investments in any particular industry except that it may invest up to 25% of the value of its total assets in the securities of issuers of any one industry (of the utility companies, gas, electric, water and telephone will each be considered as a separate industry); and (4) buy securities issued or guaranteed by any one issuer (except the U.S. Government or any of its agencies or instrumentalities) if with respect to 75% of its total assets (a) more than 5% of the Fund's total assets would be invested in the securities of that issuer, or (b) the Fund would own more than 10% of that issuer's voting securities.

All of the percentage limitations described above and elsewhere in this Prospectus apply to the Fund only at the time of purchasing a security, and the Fund need not dispose of a security merely because the Fund's assets have changed or the security has increased in value relative to the size of the Fund. There are other fundamental policies discussed in "Additional Investment Restrictions" the Statement of Additional Information, along with more information about the Fund's non-fundamental investment policies and strategies.

How the Fund is Managed

Organization and History. Oppenheimer Integrity Funds (the "Trust") was organized in 1982 as a multi-series Massachusetts business trust and the Fund is a series of that Trust. That Trust is an open-end, diversified

management investment company, with an unlimited number of authorized shares of beneficial interest. Each of the two series of the Trust is a fund that issues its own shares, has its own investment portfolio, and its own assets and liabilities.

The Board of Trustees has the power, without shareholder approval, to divide unissued shares of this Fund into two or more classes, each having its own dividends, distributions and expenses. Each class may have a different net asset value. The Board has done so, and the Fund currently has two classes of shares, Class A and Class B. Each share has one vote at shareholder meetings, with fractional shares voting proportionally. Only shares of a class vote together on matters that affect that class alone. Shares are freely transferable.

The Fund is governed by a Board of Trustees, which is responsible for protecting the interests of shareholders under Massachusetts law. The Trustees meet throughout the year to oversee the Fund's activities, review 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 meetings from time to time on important matters, and shareholders have the right to call a meeting to remove Trustees or to take other action described in the Declaration of Trust.

The Manager and its Affiliates. Since March 28, 1991, the Fund is managed by the Manager, which handles its day-to-day business. The Manager has entered into a contract with Massachusetts Mutual Life Insurance Company to act as the Fund's Sub-Adviser. The Sub-Adviser is responsible for choosing the Fund's investments. 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 and its fees, and describes the expenses that the Fund pays to conduct its business.

The Manager has operated as an investment adviser since 1959. The Manager and its affiliates currently manage investment companies, including other OppenheimerFunds, with assets of more than \$26 billion as of December 31, 1993, and with more than 1.8 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 the Sub-Adviser.

- Portfolio Manager. The Portfolio Manager of the Fund (who is also a Vice President of the Fund) is Mary E. Wilson, a Vice President and Managing Director of the Sub-Adviser. She has been responsible for the day-to-day management of the Fund's portfolio since March, 1991. Ms. Wilson also serves as Vice President of MML Series Investment Fund and Vice President of Mass Mutual Participation Investors.

- 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: 0.50% of the first \$100 million of the Fund's average annual net assets, 0.45% of the next \$200 million, 0.40% of the next \$200 million, and 0.35% of net assets in excess of \$500 million. The Fund's management fee for its last fiscal year was _____% of average annual net assets for Class A shares and _____% for Class B shares.

Under the Sub-Advisory Agreement, the Manager pays the Sub-Advisor the following annual fees, which decline on additional assets as the Fund grows: 0.35% of the first \$100 million of the Fund's average annual net assets; 0.25% of the next \$200 million, 0.20% of the next \$200 million; and 0.15% of net assets in excess of \$500 million.

The Fund pays expenses related to its daily operations, such as custodian 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 affect 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 portfolio transactions in "Brokerage Policies of the Fund" in the Statement of Additional Information. Because the Fund purchases most of its portfolio securities directly from the sellers and not through brokers, it therefore incurs relatively little expense for brokerage. From time to time it may use brokers when buying portfolio securities. When deciding which brokers to use in those cases, the investment advisory and sub-advisory agreements allows the Manager and the Sub-Advisor to consider whether brokers have sold shares of the Fund or any other funds for which the Manager or the Sub-Advisor or their affiliates exercise investment discretion.

- The Distributor. The Fund's shares are sold through dealers or brokers that have a sales agreement with Oppenheimer Funds 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 "OppenheimerFunds") and is sub-distributor for funds managed by a subsidiary of the Manager.

- The Transfer Agent. The Fund's transfer agent is Oppenheimer Shareholder Services, a division of the Manager, which acts as the shareholder servicing agent for the Fund and the other OppenheimerFunds on an "at-cost" basis. Shareholders should direct inquiries to the Transfer Agent at the address and toll-free numbers shown elsewhere in this Prospectus or on the back cover.

Performance of the Fund

Explanation of Performance Terminology. The Fund uses certain terms to illustrate its performance: "total return" and "yield." These terms are used to show the performance of each class of shares 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 in advertisements about the Fund or in communications to shareholders. It 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 yields and 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 and yields are calculated is contained in the Statement of Additional Information, which also contains information about indices and other ways to compare the Fund's performance. The Fund's investment performance will vary, 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, 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, they reflect the payment of the maximum initial sales charge. Total returns may be quoted "at net asset value," without considering the effect of the sales charge, and these returns would be reduced if sales charges were deducted. When total returns are shown for Class B shares, they reflect the effect of the contingent deferred sales charge that applies to the period for which total return is shown, or else they may be shown based just on the change in net asset value, without considering the effect of the contingent deferred sales charge.

- 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 shares do not reflect the deduction of the contingent deferred sales charge.

How Has the Fund Performed? Below is a discussion by the Manager of the Fund's performance during its last fiscal year ended December 31, 1993, followed by a graphical comparison of the Fund's performance to an appropriate broad-based market index.

- Management's Discussion of Performance. Throughout most of 1993 the U.S. economy continued to grow slowly and interest rates declined steadily. This caused the value of many corporate bonds in the Fund's portfolio to appreciate. When the Manager felt that interest rates had reached their lowest point, the Manager sold a number of bonds at a substantial profit. In anticipation of rising interest rates, the Manager reinvested the proceeds from the sale of those bonds into investments with higher credit ratings to help protect the Fund's net asset value. In addition, the Manager emphasized investments in short-term U.S. Treasuries, which are less likely to fluctuate in price than longer-term securities in a rising interest rate environment. The historically low interest rates experienced over the past year have caused volatility in the mortgage-backed securities market. To insulate the Fund's portfolio from this effect, the Manager invested in a combination of very short-term mortgage-backed securities, which have a low risk of prepayment, and highly seasoned mortgage-backed securities that have already survived several refinancing waves.

- Comparing the Fund's Performance to the Market. The chart below shows the performance of a hypothetical \$10,000 investment in each Class of shares of the Fund from the inception of the Class held through December 31, 1993, with all dividends and capital gains distributions reinvested in additional shares. The graph reflects the deduction of the 4.75% maximum initial sales charge on Class A shares and the maximum 5% contingent deferred sales charge for Class B shares.

Because the Fund invests in investment grade fixed-income securities, the Fund's performance is compared to the performance of the Lehman Brothers Corporate Bond Index, a broad-based, unmanaged index of publicly-issued nonconvertible investment grade corporate debt of U.S. issuers, widely recognized as a measure of the U.S. fixed-rate corporate bond market. It includes a factor for the reinvestment of interest, but does not reflect expenses or taxes. Index performance reflects reinvestment of income but not capital gains or transaction costs, and none of the data below shows the effect of taxes. While index comparisons may be useful to provide a benchmark for the Fund's performance, it must be noted that the Fund's investments are not limited to the securities in any one index and the index data does not reflect any assessment of the risk of the investments included in the index.

Oppenheimer Investment Grade Bond Fund

Comparison of Change in Value
of \$10,000 Hypothetical Investment to
Lehman Brothers Corporate Bond Index

(Graph)

Past Performance is not predictive of future performance.

Oppenheimer Investment Grade Bond Fund
Average Annual Total Return at 12/31/93

	1 Year -----	Life* -----
Class A:	5.06%	8.77%
Class B:	Cumulative Total Return at 12/31/93	-1.09%**

* The Fund began operations on 4/15/88

** Class B shares of the Fund first publicly sold on 5/3/93

YOUR INVESTMENT ACCOUNT

How to Buy Shares

The Fund offers investors two 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). If you purchase Class A shares as part of an investment of at least \$1 million in shares of one or more OppenheimerFunds, and you sell any of those shares within 18 months after your purchase, you will pay a contingent deferred sales charge, which will vary depending on the amount you invested.

- 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, you will normally pay a contingent deferred sales charge that varies depending on how long you own your shares.

- 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 advisors:

- How much do you plan to invest? If you plan to invest a

substantial amount, the reduced sales charges available for larger purchases of Class A shares may be more beneficial to you, and for purchases over \$1 million, the contingent deferred sales charge on Class A shares may be more beneficial. The Distributor will not accept any order for \$1 million or more for Class B shares on behalf of a single investor for that reason.

- How long do you expect to hold your investment? While future financial needs cannot be predicted with certainty, investors who prefer not to pay an initial sales charge and who plan to hold their shares for more than 6 years might consider Class B shares. Investors who plan to redeem shares within 7 years might prefer Class A shares.

- Are there differences in account features that matter to you? Because some account features may not be available for Class B shareholders, such as checkwriting, you should carefully review how you plan to use your investment account before deciding which class of shares is better for you. Additionally, the dividends payable to Class B shareholders will be reduced by the additional expenses borne solely by that class, such as the asset-based sales charge to which Class B shares are subject, as described below and in the Statement of Additional Information.

- How does it affect payments to my broker? A salesperson 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 contingent deferred sales charge and asset-based sales charge for Class B shares is the same as the purpose of the front-end sales charge on sales of Class A shares.

- How Much Must You Invest? You can open a Fund account with a minimum initial investment of \$1,000 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 OppenheimerFunds (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 OppenheimerFunds AccountLink service. When you buy shares, be sure to specify Class A or Class B 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 OppenheimerFunds New Account Application and return it with a check payable to "Oppenheimer Funds 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.

- 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 House (ACH) member, to transmit funds electronically to purchase shares, to send redemption proceeds, and to transmit dividends and distributions. Shares are purchased for your account 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 must request AccountLink privileges on the application or dealer settlement instructions used to establish your account. Please refer to "AccountLink," below for more details.

Shares are sold at the public offering price based on the net asset value that is next determined after the Distributor receives the purchase order in Denver. In most cases, to receive that day's offering price, the Distributor must receive your order by 4:00 P.M., New York time (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 4:00 P.M., 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.

- Asset Builder Plans. You may purchase shares of the Fund (and up to four other OppenheimerFunds) 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.

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, where purchases are not subject to an initial sales charge, the offering price may be net asset value. In some cases, reduced sales charges may be available, as described below. When you invest, the Fund receives the net asset value for your account. The sales charge varies depending on the amount of your purchase and a portion 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:

<TABLE>
<CAPTION>

Amount of Purchase -----	Front-End Sales Charge as Percentage of Offering Price -----	Front-End Sales Charge as Approximate Percentage of Amount Invested -----	Commission as Percentage of Offering Price -----
<S>	<C>	<C>	<C>
Less than \$50,000	4.75%	4.98%	4.00%
\$50,000 or more but less than \$100,000	4.50%	4.71%	3.75%
\$100,000 or more but less than \$250,000	3.50%	3.63%	2.75%
\$250,000 or more but less than \$500,000	2.50%	2.56%	2.00%
\$500,000 or more but less than \$1 million	2.00%	2.04%	1.60%

</TABLE>

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 Oppenheimer Funds aggregating \$1 million or more. However, the Distributor pays dealers of record commissions on such 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 share purchases over \$5 million. However, that commission will be paid only on the amount of those purchases in excess of \$1 million 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") will be deducted from the redemption proceeds. That sales charge will be equal to 1.0% of the aggregate net asset value of either (1) 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 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.

- 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. From time to time, the Distributor may make special arrangements with dealers and make additional payments if the dealer meets specified sales criteria and other requirements. Dealers whose sales of OppenheimerFunds (other than money market funds) under OppenheimerFunds-sponsored 403(b) 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. The Distributor may sponsor an annual sales conference to which a dealer firm is eligible to send, with a guest, a registered representative who sells more than \$2.5 million of Class A shares of OppenheimerFunds (other than money market funds) in a calendar year, or the dealer may, at its option, receive the equivalent cash value of that award as additional commission.

- 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. You and your spouse can cumulate Class A shares you purchase for your own accounts, or jointly, or on behalf of your children who are minors, under trust or custodial accounts. A fiduciary can cumulate 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 cumulate current purchases of Class A shares of the Fund and other OppenheimerFunds with Class A shares of OppenheimerFunds you previously purchased subject to a sales charge, 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 Transfer Agent. 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 A shares of the Fund and other OppenheimerFunds during a 13-month period at the reduced sales charge rate that applies to the aggregate amount of the intended purchases, including 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. No sales charge is imposed on sales of Class A shares to the following persons: (1) the Manager or its affiliates; (2) 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; (3) registered management investment companies, or separate accounts of insurance companies having an agreement with the Manager or the Distributor for that purpose; (4) 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; (5) employees (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); (6) 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.

Additionally, no sales charge is imposed on shares that are (a) issued in plans of reorganization, such as mergers, asset acquisitions and exchange offers, to which the Fund is a party or (b) purchased by the reinvestment of loan repayments by a participant in a retirement plan for which the Manager or its affiliates acts as sponsor, or (c) purchased by the reinvestment of dividends or other distributions reinvested from the Fund or other OppenheimerFunds (other than the Cash Reserves Funds) or unit investment trusts for which reinvestment arrangements have been made with the Distributor. There is a further discussion of this policy in

"Reduced Sales Charges" in the Statement of Additional Information.

The Class A contingent deferred sales charge is also waived if shares are redeemed in the following cases: (1) retirement distributions or loans to participants or beneficiaries from qualified retirement plans, deferred compensation plans or other employee benefit plans ("Retirement Plans"), (2) returns of excess contributions made to Retirement Plans, (3) Automatic Withdrawal Plan payments that are limited to no more than 12% of the original account value annually, and (4) involuntary redemptions of shares by operation of law or under the procedures set forth in the Fund's Declaration of Trust or adopted by the Board of Trustees.

- 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 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.

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 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 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.

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:

Contingent Deferred Sales Charge Years Since Purchase Payment Was Made	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.

- Waivers of Class B Sales Charge. The Class B contingent deferred sales charge will be waived if the shareholder requests it for any of the following redemptions: (1) 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; (2) redemptions from accounts other than Retirement Plans following the death or disability of the shareholder (as evidenced by a determination of disability by the Social Security Administration), and (3) returns of excess contributions to Retirement Plans.

The contingent deferred sales charge is also waived on Class B shares in the following cases: (i) shares sold to the Manager or its affiliates; (ii) 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; (iii) shares issued in plans of reorganization to which the Fund is a party; and (iv) shares redeemed in involuntary redemptions as described above. Further details about this policy are contained in "Reduced Sales Charges" in the Statement of Additional Information.

- 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 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 and Class B Shares" in the Statement of Additional Information.

- Distribution and Service Plan for Class B Shares. The Fund has adopted a Distribution and Service Plan for Class B shares to compensate the Distributor for its services and costs in distributing Class B shares and servicing accounts. Under the Plan, 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. The Distributor also receives a service fee of 0.25% per year. Both fees are computed on the average annual net assets of Class B shares, determined as of the close of each regular business day. The asset-based sales charge allows investors to buy Class B shares without a front-end sales charge while allowing the Distributor to compensate dealers that sell Class B shares.

The Distributor uses the service fee to compensate dealers for providing personal service for accounts that hold Class B shares. Those services are similar to those provided under the Class A Service Plan, described above. The asset-based sales charge and service fees increase Class B expenses by up to 1.00% of average net assets per year.

The Distributor pays the 0.25% service fee to dealers in advance for the first year after Class B shares have been sold by the dealer. After the shares have been held for a year, the Distributor pays the fee on a quarterly basis. The Distributor pays sales commissions of 3.75% of the purchase price to dealers from its own resources at the time of sale. The Distributor retains the asset-based sales charge to recoup the sales commissions it pays, the advances of service fee payments it makes, and its financing costs.

If the Plan is terminated by the Fund, it provides for continuing payments of the asset-based sales charge to the Distributor for certain expenses already incurred. The accounting treatment for the Fund's obligation under the Plan for those future payments is discussed in "Distribution and Service Plans" in the Statement of Additional Information. The accounting standards now used are currently under review by the American Institute of Certified Public Accountants, and it is possible that those standards will change and that the Fund's Class B Plan would be changed as a result. At December 31, 1993, the end of the 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.

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, including 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 OppenheimerFunds account you have already established by calling the special PhoneLink number. Please refer to "Exchange Privilege," 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 OppenheimerFunds on a monthly, quarterly, semi-annual or annual basis under an Automatic Exchange Plan. The minimum purchase for each other 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 Fund shares, you have up to 6 months to reinvest all or part of the redemption proceeds in Class A shares of the Fund or other OppenheimerFunds without paying sales charge. This privilege applies to Class A shares that you sell, and Class B shares on which you paid a contingent deferred sales charge when you redeemed them. 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 and SAR-SEPs (Simplified Employee Pension Plans) for small business owners or people with income from self-employment
- Pension and Profit-Sharing Plans for self-employed persons and small business owners

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, by using the Fund's Checkwriting privilege 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.

- 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 may be required to 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.

- 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 or medallion 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 check is not payable to all shareholders listed on the account statement

- The check is not sent to the address of record on your 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 from a foreign bank that has a U.S. correspondent bank, or from a U.S. registered dealer or broker in securities, municipal securities or government securities, or from a U.S. national securities exchange, a registered securities association or a clearing agency. If you are signing as a fiduciary or on behalf of a corporation, partnership or other business, 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 statement)
- The dollar amount or number of shares to be redeemed
- Any special payment instructions
- Any share certificates for the shares you are selling, 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: Send courier or Express Mail requests to:

Oppenheimer Shareholder Services	Oppenheimer Shareholder Services
P.O. Box 5270, Denver, Colorado 80217	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 4:00 P.M. You may not redeem shares held in an Oppenheimer Funds retirement plan or under a share certificate 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

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

- Telephone Redemptions Paid by Check. Up to \$50,000 may be redeemed by telephone, once in each 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 or Class A 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.

The Fund will charge a \$10 fee for any check that is not paid because (1) the owners of the account told the Fund not to pay the check, or (2) the check was for more than the account balance, or (3) the check did not have the proper signatures, (4) or the check was written for less than \$100.

How to Exchange Shares

Shares of the Fund may be exchanged for shares of certain OppenheimerFunds at net asset value per share at the time of exchange, without sales charge. A \$5 service fee will be deducted from the fund account you are exchanging into to help defray administrative costs. That charge is waived for automated exchanges between existing accounts on PhoneLink described below. To exchange shares, you must meet several conditions:

- 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
- 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 OppenheimerFunds. For example, you can exchange Class A shares of this Fund only for Class A shares of another fund. At present, not all of the OppenheimerFunds offer the same two classes of 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. In some cases, sales charges may be imposed on exchange transactions. Certain OppenheimerFunds offer Class A, Class B and/or Class C shares, and a list can be obtained by calling the Distributor at 1-800-525-7048. Please refer to the Statement of Additional Information for more details about this policy.

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 names and address. Shares held under certificates may not be exchanged by telephone.

You can obtain a list of eligible OppenheimerFunds in the Statement of Additional Information or by calling the Transfer Agent 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 by 4:00 P.M. that is in proper form, but either fund may delay the purchase of shares of the fund you are exchanging into 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.

Shareholder Account Rules and Policies

- Net Asset Value Per Share is determined for each class of shares as of 4:00 P.M. each day The New York Stock 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, short-term 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 it will not 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 and Class B 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. 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 15 days from the date the shares were purchased. That delay may be avoided if you arrange with your bank to 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 \$1,000 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 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 taxpayer identification number when you sign your application, or if you violate Internal Revenue Service regulations on tax reporting of dividends.

- 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 charges when redeeming certain Class A and Class B shares.

Dividends, Capital Gains and Taxes

Dividends. The Fund declares dividends separately for Class A and Class B shares from net investment income each regular business day and pays those dividends to shareholders monthly. Normally, dividends are paid on the last business day of every month, but the Board of Trustees can change that date. Distributions may be made monthly from any net short-term capital gains the Fund realizes in selling securities. It is expected that distributions paid with respect to Class A shares will generally be higher than for Class B shares because expenses allocable to Class B shares will generally be higher.

Capital Gains. The Fund may make distributions annually in December out of any net short-term or long-term capital gains, and the Fund may make supplemental distributions of dividends and capital gains following the end of its fiscal year. Long-term capital gains will be separately identified in the tax information the Fund sends you after the end of the year. Short-term capital gains are treated as dividends.

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 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. 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, you will pay the full price for the shares and then receive a portion of the price back as a taxable dividend.

- 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: If distributions made by the Fund must be recharacterized at the end of a fiscal year because of the Fund's investment policies (for example, due to losses on foreign currency exchange), shareholders may have a non-taxable return of capital. This will be identified in notices to shareholders.

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 advisor about the effect of an investment in the Fund on your particular tax situation.

Description of Securities Ratings

Description of Standard & Poor's Corporation ("Standard & Poor's") and Moody's Investors Service, Inc. ("Moody's") commercial paper, bond and municipal securities ratings:

Commercial Paper Ratings

Standard & Poor's commercial paper ratings are graded into four categories, ranging from "A" for the highest quality obligations to "D" for the lowest. The "A-1" and "A-2" categories are described as follows:

"A" - Issues assigned this highest rating are regarded as having the greatest capacity for timely payment. Issues in this category are further refined with the designations 1, 2, and 3 to indicate the relative degree of safety.

"A-1" - This designation indicates that the degree of safety regarding timely payment is either overwhelming or very strong. Those issues determined to possess overwhelming safety characteristics will be noted with a plus (+) sign designation.

"A-2" - Capacity for timely payment on issues with this designation is strong. However, the relative degree of safety is not as high as for issues designated "A-1."

Moody's employs three designations, all judged to be investment grade, to indicate the relative repayment ability of rated issuers. The two highest designations are as follows:

Issuers (or supporting institutions) rated Prime-1 (or P-1) have a

superior ability for repayment of senior short-term debt obligations. Prime-1 (or P-1) repayment ability will normally be evidenced by many of the following characteristics:

- Leading market positions in well-established industries.
- High rates of return on funds employed.
- Conservative capitalization structure with moderate reliance on debt and ample asset protection.
- Broad margins in earnings coverage of fixed financial charges and high internal cash generation.
- Well-established access to a range of financial markets and assured sources of alternate liquidity.

Issuers (or supporting institutions) rated Prime-2 (or P-2) have a strong ability for repayment of senior short-term debt obligations. This will normally be evidenced by many of the characteristics cited above but to a lesser degree. Earnings trends and coverage ratios, while sound, may be more subject to variation. Capitalization characteristics, while still appropriate, may be more affected by external conditions. Ample alternate liquidity is maintained.

Bond Ratings

Standard & Poor's describes its four highest ratings for corporate debt as follows:

AAA: Debt rated "AAA" has the highest rating assigned by Standard & Poor's. Capacity to pay interest and repay principal is extremely strong.

AA: Debt rated "AA" has a very strong capacity to pay interest and repay principal and differ from the higher rated issues only in a small degree.

A: Debt rated "A" has a strong capacity to pay interest and repay principal although it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than debt in higher rated categories.

BBB: Debt rated "BBB" is regarded as having an adequate capacity to pay interest and repay principal.

Whereas it normally exhibits adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for debt in this category than in higher rated categories.

The ratings from AA to CCC may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

Moody's describes its four highest corporate bond ratings as follows:

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 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 in 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 in Aaa securities.

A: Bonds which are rated A possess many favorable investment attributes and may 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 as 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.

Moody's applies numerical modifiers, 1, 2 and 3 in each generic rating classification from Aa through B in its corporate bond rating system. The modifier 1 indicates that the security ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

APPENDIX TO PROSPECTUS OF
OPPENHEIMER INVESTMENT GRADE BOND FUND

Graphic material included in Prospectus of Oppenheimer Investment Grade Bond Fund: "Comparison of Total Return of Oppenheimer Investment Grade Bond Fund with The Lehman Brothers Corporate Bond Index - Change in Value of a \$10,000 Hypothetical Investment"

A linear graph will be included in the Prospectus of Oppenheimer Investment Grade Bond Fund (the "Fund") depicting the initial account value and subsequent account value of a hypothetical \$10,000 investment in the Fund during each of the Fund's fiscal years since December 31, 1984 to the end of each of the Fund's most recently completed ten fiscal years (as to Class A shares) and since May 3, 1993 (as to Class B shares) and comparing such values with the same investments over the same time periods with The Lehman Brothers Corporate Bond Index. Set forth below are the relevant data points that will appear on the linear graph. Additional information with respect to the foregoing, including a description of The Lehman Brothers Corporate Bond Index, is set forth in the Prospectus under "Fund Performance Information - Management's Discussion of Performance."

<TABLE>

<CAPTION>

Fiscal Year (Period) Ended	Oppenheimer Investment Grade Bond Fund A	Lehman Brothers Corporate Bond Index
-----	-----	-----
<S>	<C>	<C>
4/15/88	\$ 9,525	\$10,000
12/31/88	9,952	10,368
12/31/89	11,077	11,855
12/31/90	11,602	12,759
12/31/91	13,723	15,170
12/31/92	14,653	16,392
12/31/93	16,163	18,310

Fiscal Year (Period) Ended	Oppenheimer Investment Grade Bond Fund B	Lehman Brothers Corporate Bond Index
-----	-----	-----
05/01/93	\$10,000	\$10,000
12/31/93	9,891	10,503

<FN>

(1) Class B shares of the Fund were first publicly offered on May 3, 1993.

</TABLE>

Oppenheimer Investment Grade Bond Fund
3410 South Galena Street, Denver, CO 80231
Telephone: 1-800-525-7048

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

Sub-Adviser
Massachusetts Mutual Life Insurance Company
1295 State Street
Springfield, MA 01111

Prospectus

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

OPPENHEIMER
Investment Grade Bond Fund

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

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

Dated April 29, 1994

Independent Auditors
Deloitte & Touche
1560 Broadway
Denver, Colorado 80202

(OppenheimerFunds Logo)

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

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

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Sub-Adviser
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1295 State Street
Springfield, MA 01111

Prospectus and
New Account Application

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

OPPENHEIMER
Investment Grade Bond Fund

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Oppenheimer Shareholder Services
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Denver, Colorado 80202

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Life Insurance Company, or any affiliate thereof. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby in any state to any person to whom it is unlawful to make such offer in such state.

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STATEMENT OF ADDITIONAL INFORMATION

OPPENHEIMER INVESTMENT GRADE BOND FUND
3410 South Galena Street, Denver, Colorado 80231
1-800-525-7048

This Statement of Additional Information is not a Prospectus. This Statement of Additional Information contains more complete information about the investment policies and the account features of Oppenheimer Investment Grade Bond Fund (the "Fund") described in the Fund's Prospectus dated May 1, 1994, and should be read together with the Prospectus. A copy of the Prospectus may be obtained by writing to Oppenheimer Shareholder Services ("the Transfer Agent"), P.O. Box 5270, Denver, Colorado 80217 or by calling the Transfer Agent at the toll-free number shown above.

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This Statement of Additional Information is dated May 1, 1994.

GENERAL INFORMATION

Oppenheimer Investment Grade Bond Fund (the "Fund") is one of two series of Oppenheimer Integrity Funds (the "Trust"). This Statement of Additional Information may be used with the Fund's Prospectus only to offer shares of the Fund.

The Trust was established in 1982 as MassMutual Liquid Assets Trust and changed its name to MassMutual Integrity Funds on April 15, 1988. The Fund was reorganized from a closed-end investment company known as MassMutual Income Investors, Inc. into a series of the Trust on April 15, 1988. On March 29, 1991, the Trust changed its name from MassMutual Integrity Funds to Oppenheimer Integrity Funds and the Fund changed its name from MassMutual Investment Grade Bond Fund to Oppenheimer Investment Grade Bond Fund.

INVESTMENT OBJECTIVE AND POLICIES

The investment objective and policies of the Fund are discussed in the Prospectus. Set forth below is supplemental information about those policies. Certain capitalized terms used in this Statement of Additional Information have the same meaning as those terms have in the Prospectus.

All fixed-income securities are subject to two types of risks: credit risk and interest rate risk. Credit risk relates to the ability of the issuer to meet interest or principal payments or both as they become due. Generally, higher yielding bonds are subject to credit risk to a greater extent than higher quality bonds. Interest rate risk refers to the fluctuations in value of fixed-income securities resulting solely from the inverse relationship between price and yield of fixed-income securities. An increase in interest rates will tend to reduce the market value of fixed-income investments, and a decline in interest rates will tend to increase their value. In addition, debt securities with longer maturities, which tend to produce higher yields, are subject to potentially greater capital appreciation and depreciation than obligations with shorter maturities. Fluctuations in the market value of fixed-income securities subsequent to their acquisition will not affect cash income from such securities but will be reflected in the net asset values of the Fund's two classes of shares.

Securities of Foreign Governments and Companies. As stated in the Prospectus, the Fund may invest in debt obligations and equity securities (which may be dominated in U.S. dollars or non-U.S. currencies) issued or guaranteed by foreign corporations, and debt obligations of certain "supranational entities" (described below) and foreign governments or their agencies or instrumentalities.

The percentage of the Fund's assets that will be allocated to foreign securities will vary depending on the relative yields of foreign and U.S. securities, the economies of foreign countries, the condition of such

countries' financial markets, the interest rate climate of such countries and the relationship of such countries' currency to the U.S. dollar. These factors are judged on the basis of fundamental economic criteria (e.g., relative inflation levels and trends, growth rate forecasts, balance of payments status, and economic policies) as well as technical and political data.

Investments in foreign securities offer potential benefits not available from investments solely in securities of domestic issuers, by offering the opportunity to invest in foreign issuers that appear to offer growth potential, or in foreign countries with economic policies or business cycles different from those of the U.S., or to reduce fluctuations in portfolio value by taking advantage of foreign bond or other markets that do not move in a manner parallel to U.S. markets. From time to time, U.S. government policies have discouraged certain investments abroad by U.S. investors, through taxation or other restrictions, and it is possible that such restrictions could be reimposed.

Securities of foreign issuers that are represented by American depository receipts, or that are listed on a U.S. securities exchange, or are traded in the U.S. over-the-counter market are not considered "foreign securities," because they are not subject to many of the special considerations and risks (discussed below) that apply to foreign securities traded and held abroad. If the Fund's portfolio securities are held abroad, the countries in which such securities may be held and the sub-custodians holding them must be approved by the Fund's Board of Trustees under applicable SEC rules.

Risks of Investing in Foreign Securities. Investment in foreign securities involves considerations and risks not associated with investment in securities of U.S. issuers. For example, foreign issuers are not required to use generally-accepted accounting principles ("G.A.A.P."). If foreign securities are not registered under the Securities Act of 1933, the issuer does not have to comply with the disclosure requirements of the Securities Exchange Act of 1934. The values of foreign securities investments will be affected by incomplete or inaccurate information available as to foreign issuers, changes in currency rates, exchange control regulations or currency blockage, expropriation or nationalization of assets, application of foreign tax laws (including withholding taxes), changes in governmental administration or economic or monetary policy in the U.S. or abroad, or changed circumstances in dealings between nations. In addition, it is generally more difficult to obtain court judgments outside the United States. The values of foreign securities will be affected by changes in currency rates or exchange control regulations or currency blockage, application of foreign tax laws, including withholding taxes, changes in governmental administration or economic or monetary policy (in the U.S. or abroad) or changed circumstances in dealings between nations. Costs will be incurred in connection with conversions between various currencies. Foreign brokerage commissions are generally higher than commissions in the U.S.,

and foreign securities markets may be less liquid, more volatile and less subject to governmental regulation than in the U.S. Investments in foreign countries could be affected by other factors not generally thought to be present in the U.S., including expropriation or nationalization, confiscatory taxation and potential difficulties in enforcing contractual obligations, and could be subject to extended settlement periods.

The obligations of foreign governmental entities may or may not be supported by the full faith and credit of a foreign government. Obligations of "supranational entities" include those of international organizations designated or supported by governmental entities to promote economic reconstruction or development and of international banking institutions and related government agencies. Examples include the International Bank for Reconstruction and Development (the "World Bank"), the European Coal and Steel Community, the Asian Development Bank and the Inter-American Development Bank. The governmental members, or "stockholders," usually make initial capital contributions to the supranational entity and in many cases are committed to make additional capital contributions if the supranational entity is unable to repay its borrowings. Each supranational entity's lending activities are limited to a percentage of its total capital (including "callable capital" contributed by members at the entity's call), reserves and net income. There is no assurance that foreign governments will be able or willing to honor their commitments.

Because the Fund may purchase securities denominated in foreign currencies, a change in the value of any such currency against the U.S. dollar will result in a change in the U.S. dollar value of the Fund's assets and its income available for distribution. In addition, although a portion of the Fund's investment income may be received or realized in foreign currencies, the Fund will be required to compute and distribute its income in U.S. dollars, and absorb the cost of currency fluctuations.

The values of foreign investments and the investment income derived from them may also be affected unfavorably by changes in currency exchange control regulations. Although the Fund will invest only in securities denominated in foreign currencies that at the time of investment do not have significant government-imposed restrictions on conversion into U.S. dollars, there can be no assurance against subsequent imposition of currency controls. In addition, the values of foreign securities will fluctuate in response to a variety of factors, including changes in U.S. and foreign interest rates.

U.S. Government Securities. U.S. Government Securities are debt obligations issued or guaranteed by the U.S. Government or one of its agencies or instrumentalities. The U.S. Government Securities the Fund can invest in are described in the Prospectus and include U.S. Treasury securities such as "zero coupon" Treasury securities and mortgage-backed securities and CMOs.

Zero Coupon Treasury Securities. The Fund may invest in zero coupon Treasury securities, which are U.S. Treasury bills issued without interest coupons, U.S. Treasury notes and bonds which have been stripped of their unmatured interest coupons, and receipts or certificates representing interests in such stripped obligations and coupons. These securities usually trade at a deep discount from their face or par value and will be subject to greater fluctuations in market value in response to changing interest rates than debt obligations of comparable maturities that make current payments of interest. However, the lack of periodic interest payments means that the interest rate is "locked in" and there is no risk of having to reinvest periodic interest payments in securities having lower rates.

Mortgage-Backed U.S. Government Securities and CMOs. These securities represent participation interests in pools of residential mortgage loans made by lenders such as banks and savings and loan associations. The pools are assembled for sale to investors (such as the Fund) by government agencies, which issue or guarantee the securities relating to the pool. Such securities differ from conventional debt securities which generally provide for periodic payment of interest in fixed or determinable amounts (usually semi-annually) with principal payments at maturity or specified call dates. Some mortgage-backed U.S. Government securities in which the Fund may invest may be backed by the full faith and credit of the U.S. Treasury (e.g., direct pass-through certificates of Government National Mortgage Association); some are supported by the right of the issuer to borrow from the U.S. Government (e.g., obligations of Federal Home Loan Mortgage Corporation); and some are backed by only the credit of the issuer itself (e.g., Federal National Mortgage Association). Those guarantees do not extend to the value or yield of the mortgage-backed securities themselves or to the net asset value of the Fund's shares.

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

Prepayments tend to increase during periods of falling interest rates, while during periods of rising interest rates prepayments will most likely decline. When prevailing interest rates rise, the value of a pass-through security may decrease as do the values of other debt securities,

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

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

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

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

FNMA Securities. The Federal National Mortgage Association ("FNMA") was established to create a secondary market in mortgages insured by the FHA. FNMA issues guaranteed mortgage pass-through certificates ("FNMA Certificates"). FNMA Certificates resemble GNMA Certificates in that each FNMA Certificate represents a pro rata share of all interest and principal payments made and owed on the underlying pool. FNMA guarantees timely

payment of interest and principal on FNMA Certificates. The FNMA guarantee is not backed by the full faith and credit of the U.S. Government.

FHLMC Securities. The Federal Home Loan Mortgage Corporation ("FHLMC") was created to promote development of a nationwide secondary market for conventional residential mortgages. FHLMC issues two types of mortgage pass-through securities ("FHLMC Certificates"): mortgage participation certificates ("PCs") and guaranteed mortgage certificates ("GMCs"). PCs resemble GNMA Certificates in that each PC represents a pro rata share of all interest and principal payments made and owed on the underlying pool. FHLMC guarantees timely monthly payment of interest on PCs and the ultimate payment of principal.

GMCs also represent a pro rata interest in a pool of mortgages. However, these instruments pay interest semi-annually and return principal once a year in guaranteed minimum payments. The expected average life of these securities is approximately ten years. The FHLMC guarantee is not backed by the full faith and credit of the U.S. Government.

Collateralized Mortgage-Backed Obligations ("CMOs"). CMOs are fully-collateralized bonds that are the general obligations of the issuer thereof, either the U.S. Government, a U.S. Government instrumentality, or a private issuer. Such bonds generally are secured by an assignment to a trustee (under the indenture pursuant to which the bonds are issued) of collateral consisting of a pool of mortgages. Payments with respect to the underlying mortgages generally are made to the trustee under the indenture. Payments of principal and interest on the underlying mortgages are not passed through to the holders of the CMOs as such (i.e., the character of payments of principal and interest is not passed through, and therefore payments to holders of CMOs attributable to interest paid and principal repaid on the underlying mortgages do not necessarily constitute income and return of capital, respectively, to such holders), but such payments are dedicated to payment of interest on and repayment of principal of the CMOs. CMOs often are issued in two or more classes with different characteristics such as varying maturities and stated rates of interest. Because interest and principal payments on the underlying mortgages are not passed through to holders of CMOs, CMOs of varying maturities may be secured by the same pool of mortgages, the payments on which are used to pay interest on each class and to retire successive maturities in sequence. Unlike other mortgage-backed securities (discussed above), CMOs are designed to be retired as the underlying mortgages are repaid. In the event of prepayment on such mortgages, the class of CMO first to mature generally will be paid down. Therefore, although in most cases the issuer of CMOs will not supply additional collateral in the event of such prepayment, there will be sufficient collateral to secure CMOs that remain outstanding.

OTHER INVESTMENT TECHNIQUES AND STRATEGIES

Options on Securities. Special risks are associated with options that are

not traded on exchanges (i.e., those that are traded over-the-counter). Closing transactions in over-the-counter options are effected directly with a particular broker-dealer, rather than with an anonymous third party on an exchange. Unlike closing transactions effected on an exchange, a closing transaction of an over-the-counter option will not actually extinguish the original option unless both the original option transaction and the closing transaction are effected with the same broker-dealer. Therefore, in an over-the-counter option transaction, the Fund bears the risk that the broker-dealer effecting the closing transaction will fail to meet its obligations. Also, in some circumstances, the Fund may not be able to close an over-the-counter option. The Fund might then have to exercise the option, and bear transaction costs on the exercise, to realize any benefit from the option. If the Fund writes an over-the-counter call option that it cannot close, it will have to retain the underlying security until the option expires or is exercised. This would limit the Fund's ability to realize a gain or avoid a loss if the value of the underlying security changes while the option is still outstanding. Also, over-the-counter options are not subject to the protections afforded by the Options Clearing Corporation to purchasers of exchange-traded options.

The staff of the Division of Investment Management of the Securities and Exchange Commission (the "SEC") has taken the position that the premiums that a fund pays for the purchase of over-the-counter options, and the value of securities used to cover over-the-counter options written by a fund, are illiquid securities. Accordingly, the Fund intends to enter into over-the-counter options transactions only with primary dealers in U.S. Government Securities and only pursuant to agreements that will assure that the Fund will at all times have the right to repurchase the option written by it from the dealer at a specified formula price.

The Fund will treat the amount by which such formula price exceeds the intrinsic value of the option (i.e., the amount, if any, by which the market price of the underlying security exceeds the exercise price of the option) as an illiquid investment. It is the present policy of the Trust not to enter into any over-the-counter option transaction if, as a result, more than 15% of its net assets would be invested in (i) illiquid investments (determined under the foregoing formula) relating to such over-the-counter options written by the Fund, (ii) such over-the-counter options purchased by the Fund, (iii) securities which are not readily marketable, and (iv) repurchase agreements maturing in more than seven days.

The Trustees have adopted a non-fundamental policy that the Fund may write covered call options or write covered put options with respect to not more than 5% of the value of its net assets. Similarly, the Fund may only purchase call options and put options with a value of up to 5% of its net assets.

A fund's purpose in writing covered options is to realize greater income than would be realized on portfolio securities transactions alone.

The writing of options involves certain risks. During the option period, the covered call writer has, in return for the premium on the option, given up the opportunity to profit from a price increase in the underlying securities above the exercise price, but, as long as its obligation as a writer continues, has retained the risk of loss should the price of the underlying security decline. A covered put writer assumes the risk that the market price for the underlying security will fall below the exercise price, in which case the writer could be required to purchase the security at a higher price than the then current market price of the security. In both cases, the writer has no control over the time when it may be required to fulfill its obligation as a writer of the option. Once an option writer has received an exercise notice, it cannot effect a closing purchase transaction in order to terminate its obligation under the option and must deliver or purchase the underlying securities at the exercise price. A fund may forego the benefits of appreciation on securities sold pursuant to call options or pay a higher price for securities acquired pursuant to put options.

Futures Contracts and Options on Futures Contracts. While futures will be traded to reduce certain risks, futures trading itself entails certain other risks. One risk arises due to the imperfect correlation between movements in the price of the futures contracts and movements in the price of the securities which are the subject of such contracts. In addition, the market price of futures contracts may be affected by certain factors, such as the closing out of futures contracts by investors through offsetting transactions in order to avoid margin deposit and maintenance requirements, and the participation of speculators in the futures market. Another risk is that there may not be a liquid secondary market for a given futures contract or at a given time, and in such event it may not be possible for the Fund to close a futures position. Finally, successful use of futures contracts by the Fund is subject to the ability of the Fund's sub-adviser, Massachusetts Mutual Life Insurance Company ("MassMutual"), to predict correctly movements in the direction of interest rates and other factors affecting markets for securities. Thus, while the Fund may benefit from the use of such contracts, the operation of these risk factors may result in a poorer overall performance than if it had not entered into any futures contracts.

Positions taken in the futures markets are not normally held to maturity, but are instead liquidated through offsetting transactions which may result in a profit or a loss. While futures positions taken by the Fund will usually be liquidated in this manner, the Fund may instead make or take delivery of the underlying securities whenever it appears economically advantageous to do so.

Additional Information About Hedging Instruments and Their Use. The Fund's Custodian, or a securities depository acting for the Custodian, will act as the Fund's escrow agent, through the facilities of the Options Clearing Corporation ("OCC"), as to the investments on which the Fund has written options traded on exchanges or as to other acceptable escrow securities, so that no margin will be required for such transactions. OCC

will release the securities on the expiration of the option or upon the Fund's entering into a closing transaction. An option position may be closed out only on a market which provides secondary trading for options of the same series, and there is no assurance that a liquid secondary market will exist for any particular option.

When the Fund writes an over-the-counter ("OTC") option, it will enter into an arrangement with a primary U.S. Government securities dealer, which would establish a formula price at which the Fund would have the absolute right to repurchase that OTC option. That formula price would generally be based on a multiple of the premium received for the option, plus the amount by which the option is exercisable below the market price of the underlying security (that is, the extent to which the option "is in-the-money"). When the Fund writes an OTC option, it will treat as illiquid (for purposes of the limit on its assets that may be invested in illiquid securities, stated in the Prospectus) the mark-to-market value of any OTC option held by it. The Securities and Exchange Commission ("SEC") is evaluating whether OTC options should be considered liquid securities, and the procedure described above could be affected by the outcome of that evaluation.

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

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

equal to the market value of the securities underlying such Future, less the margin deposit applicable to it.

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

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

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

Under the Internal Revenue Code, gains or losses attributable to fluctuation in exchange rates that occur between the time the Fund accrues interest or other receivables or accrues expenses or other liabilities denominated in a foreign currency and the time the Fund actually collects such receivables or pays such liabilities generally are treated as ordinary income or ordinary loss. Similarly, on disposition of debt securities denominated in a foreign currency and on disposition of foreign currency forward contracts, gains or losses attributable to fluctuations

in the value of a foreign currency between the date of acquisition of the securities or contract and the date of disposition are also treated as ordinary gain or loss. Currency gains and losses are offset against market gains and losses before determining a net "Section 988" gain or loss under the Internal Revenue Code, which may increase or decrease the amount of the Fund's investment company income available for distribution to its shareholders.

Possible Risk Factors in Hedging. In addition to the risks with respect to options discussed in the Prospectus and above, there is a risk in using short hedging by selling Futures to attempt to protect against decline in value of the Fund's portfolio securities (due to an increase in interest rates) that the prices of such Futures will correlate imperfectly with the behavior of the cash (i.e., market value) prices of the Fund's securities. The ordinary spreads between prices in the cash and futures markets are subject to distortions due to differences in the natures of those markets. First, all participants in the futures markets are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, investors may close out futures contracts through offsetting transactions which could distort the normal relationship between the cash and futures markets. Second, the liquidity of the futures markets depend on participants entering into offsetting transactions rather than making or taking delivery. To the extent participants decide to make or take delivery, liquidity in the futures markets could be reduced, thus producing distortion. Third, from the point of view of speculators, the deposit requirements in the futures markets are less onerous than margin requirements in the securities markets. Therefore, increased participation by speculators in the futures markets may cause temporary price distortions.

If the Fund uses Hedging Instruments to establish a position in the debt securities markets as a temporary substitute for the purchase of individual debt securities (long hedging) by buying Futures and/or calls on such Futures or on debt securities, it is possible that the market may decline; if the Fund then concludes not to invest in such securities at that time because of concerns as to possible further market decline or for other reasons, the Fund will realize a loss on the Hedging Instruments that is not offset by a reduction in the price of the debt securities purchased.

Repurchase Agreements. The Fund may acquire securities that are subject to repurchase agreements, in order to generate income while providing liquidity. In a repurchase transaction, the Fund acquires a security from, and simultaneously resells it to, an approved vendor (a U.S. commercial bank, U.S. branch of a foreign bank or a broker-dealer which has been designated a primary dealer in government securities, which must meet the credit requirements set by the Fund's Board of Trustees from time to time), for delivery on an agreed upon future date. The sale price exceeds the purchase price by an amount that reflects an agreed-upon interest rate effective for the period during which the repurchase agreement is in effect. The majority of these transactions run from day

to day, and delivery pursuant to resale typically will occur within one to five days of the purchase. Repurchase agreements are considered "loans" under the Investment Company Act, collateralized by the underlying security. The Fund's repurchase agreements will require that at all times while the repurchase agreement is in effect, the collateral's value must equal or exceed the repurchase price to collateralize the loan fully. Additionally, the Manager will impose creditworthiness requirements to confirm that the vendor is financially sound and will continuously monitor the collateral's value. If the vendor of a repurchase agreement fails to pay the agreed-upon resale price on the delivery date, the Fund's risks in such event may include any costs of disposing of the collateral, and any loss from any delay in foreclosing on the collateral. Additionally, the Sub-Adviser will monitor the creditworthiness of the vendor.

Illiquid and Restricted Securities. The Fund will not purchase or otherwise acquire any security if, as a result, more than 10% of its net assets (taken at current value) would be invested in securities that are illiquid by virtue of the absence of a readily available market or because of legal or contractual restrictions on resale ("restricted securities"). As noted in the prospectus, that amount may, in the future, increase to 15%. This policy applies to participation interests, bank time deposits, master demand notes, repurchase transactions having a maturity beyond seven days, over-the-counter options held by the Fund and that portion of assets used to cover such options. This policy is not a fundamental policy and does not limit purchases of restricted securities eligible for resale to qualified institutional purchasers pursuant to Rule 144A under the Securities Act of 1933 that are determined to be liquid by the Board of Trustees or by the Manager under Board-approved guidelines. Such guidelines take into account trading activity for such securities and the availability of reliable pricing information, among other factors. If there is a lack of trading interest in particular Rule 144A securities, the Fund's holdings of those securities may be illiquid. There may be undesirable delays in selling illiquid securities at prices representing their fair value. The expenses of registration of restricted securities that are subject to legal restrictions on resale (excluding securities that may be resold by the Fund pursuant to Rule 144A, as explained in the Prospectus) may be negotiated at the time such securities are purchased by the Fund. When registration is required, a considerable period may elapse between a decision to sell the securities and the time the Fund would be permitted to sell them. Thus, the Fund might not be able to obtain as favorable a price as that prevailing at the time of the decision to sell. The Fund also may acquire, through private placements, securities having contractual resale restrictions, which might lower the amount realizable upon the sale of such securities.

Loans of Portfolio Securities. The Fund may lend its portfolio securities (other than in repurchase transactions) to brokers, dealers and other financial institutions meeting certain credit standards if the loan is collateralized in accordance with applicable regulatory requirements. Under applicable regulatory requirements (which are subject to change), the loan collateral must, on each business day, at least equal the market

value of the loaned securities and must consist of cash, bank letters of credit, U.S. Government Securities, or other cash equivalents in which the Fund is permitted to invest. To be acceptable as collateral, letters of credit must obligate a bank to pay amounts demanded by the Fund if the demand meets the terms of the letter. Such terms and the issuing bank must be satisfactory to the Fund. In a portfolio securities lending transaction, the Fund receives from the borrower an amount equal to the interest paid or the dividends declared on the loaned securities during the term of the loan as well as the interest on the collateral securities, less any finders' or administrative fees the Fund pays in arranging the loan. The Fund may share the interest it receives on the collateral securities with the borrower as long as it realizes at least a minimum amount of interest required by the lending guidelines established by its Board of Trustees. In connection with securities lending, the Fund might experience risks of delay in receiving additional collateral, or risks of delay in recovery of the securities, or loss of rights in the collateral should the borrower fail financially. The Fund will not lend its portfolio securities to any officer, trustee, employee or affiliate of the Fund, its Manager or Sub-Adviser. The terms of the Fund's loans must meet certain tests under the Internal Revenue Code and permit the Fund to reacquire loaned securities on five business days' notice or in time to vote on any important matter.

"When-Issued" and Delayed Delivery Transactions. The Fund may purchase securities on a "when-issued" basis, and may purchase or sell such securities on a "delayed delivery" basis. Although the Fund will enter into such transactions for the purpose of acquiring securities for its portfolio or for delivery pursuant to options contracts it has entered into, the Fund may dispose of a commitment prior to settlement. "When-issued" or "delayed delivery" refers to securities whose terms and indenture are available and for which a market exists, but which are not available for immediate delivery. When such transactions are negotiated, the price (which is generally expressed in yield terms) is fixed at the time the commitment is made, but delivery and payment for the securities take place at a later date. The Fund does not intend to make such purchases for speculative purposes. Such securities may bear interest at a lower rate than longer-term securities. The commitment to purchase a security for which payment will be made on a future date may be deemed a separate security and involve a risk of loss if the value of the security declines prior to the settlement date. During the period between commitment by the Fund and settlement (generally within two months but not to exceed 120 days), no payment is made for the securities purchased by the purchaser, and no interest accrues to the purchaser from the transaction. Such securities are subject to market fluctuation; the value at delivery may be less than the purchase price. The Fund will maintain a segregated account with its Custodian, consisting of cash, U.S. Government securities or other high grade debt obligations at least equal to the value of purchase commitments until payment is made.

The Fund will engage in when-issued transactions in order to secure what is considered to be an advantageous price and yield at the time of

entering into the obligation. When the Fund engages in when-issued or delayed delivery transactions, it relies on the buyer or seller, as the case may be, to consummate the transaction. Failure of the buyer or seller to do so may result in the Fund losing the opportunity to obtain a price and yield considered to be advantageous. At the time the Fund makes a commitment to purchase or sell a security on a when-issued or forward commitment basis, it records the transaction and reflects the value of the security purchased, or if a sale, the proceeds to be received, in determining its net asset value. If the Fund chooses to (i) dispose of the right to acquire a when-issued security prior to its acquisition or (ii) dispose of its right to deliver or receive against a forward commitment, it may incur a gain or loss.

To the extent the Fund engages in when-issued and delayed delivery transactions, it will do so for the purpose of acquiring or selling securities consistent with its investment objective and policies and not for the purposes of investment leverage. The Fund enters into such transactions only with the intention of actually receiving or delivering the securities, although (as noted above), when-issued securities and forward commitments may be sold prior to settlement date. In addition, changes in interest rates before settlement in a direction other than that expected by the Manager will affect the value of such securities and may cause a loss to the Fund.

When-issued transactions and forward commitments allow the Fund a technique to use against anticipated changes in interest rates and prices. For instance, in periods of rising interest rates and falling prices, the Fund might sell securities in its portfolio on a forward commitment basis to attempt to limit its exposure to anticipated falling prices. In periods of falling interest rates and rising prices, the Fund might sell portfolio securities and purchase the same or similar securities on a when-issued or forward commitment basis, thereby obtaining the benefit of currently higher cash yields.

Short Sales Against-the-Box. In such short sales, while the short position is open, the Fund must own an equal amount of such securities, or by virtue of ownership of securities have the right, without payment of further consideration, to obtain an equal amount of the securities sold short. Short sales against-the-box may be made to defer, for Federal income tax purposes, recognition of gain or loss on the sale of securities "in the box" until the short position is closed out.

ADDITIONAL INVESTMENT RESTRICTIONS

The most significant investment restrictions that apply to the Fund are described in the Prospectus. There are additional investment restrictions that the Fund must follow that are fundamental policies of the Fund. Fundamental policies and the Fund's investment objective, described in the Prospectus, cannot be changed without the vote of a "majority" of the Fund's outstanding voting securities. Under the Investment Company Act, such a "majority" vote is defined as the vote of

the holders of the lesser of (i) 67% or more of the shares present or represented by proxy at such meeting, if the holders of more than 50% of the outstanding shares are present, or (ii) more than 50% of the outstanding shares.

Under these additional restrictions, the Trust may not, on behalf of the Fund: (1) act as an underwriter, except to the extent that, in connection with the disposition of portfolio securities, the Fund may be deemed an underwriter under applicable laws; (2) invest in oil, gas or other mineral leases, rights, royalty contracts or exploration or development programs, real estate or real estate mortgage loans (this restriction does not prevent the Fund from purchasing securities secured or issued by companies investing or dealing in real estate and by companies that are not principally engaged in the business of buying and selling such leases, rights, contracts or programs); (3) purchase commodities or commodity contracts except futures contracts, including but not limited to contracts for the future delivery of securities and futures contracts based on securities indexes; (4) make loans other than by investing in obligations in which the Fund may invest consistent with its investment objective and policies and other than repurchase agreements and loans of portfolio securities; (5) pledge, mortgage or hypothecate its assets, except that, to secure permitted borrowings, it may pledge securities having a market value at the time of the pledge not exceeding 15% of the cost of the Fund's total assets and except in connection with permitted transactions in options, futures contracts and options on futures contracts, and except for reverse repurchase agreements and securities lending; (6) purchase or retain securities of any issuer if, to the knowledge of the Trust, more than 5% of such issuer's securities are beneficially owned by officers and trustees of the Trust or officers and directors of Massachusetts Mutual Life Insurance Company ("MassMutual") who individually beneficially own more than 1/2 of 1% of the securities of such issuer; and (7) make loans to an officer, trustee or employee of the Trust or to any officer, director or employee of MassMutual, or to MassMutual.

In addition to the investment restrictions described above and those contained in the Prospectus, the Trustees of the Trust have voluntarily adopted certain policies and restrictions which are observed in the conduct of the affairs of the Fund. These represent intentions of the Trustees based upon current circumstances. They differ from fundamental investment policies in that the following additional investment restrictions may be changed or amended by action of the Trustees without requiring prior notice to or approval of shareholders. In accordance with such nonfundamental policies and guidelines, the Fund may not: (1) invest for the purpose of exercising control over, or management of, any company; (2) purchase any security of a company which (including any predecessor, controlling person, general partner and guarantor) has a record of less than three years of continuous operations or relevant business experience, if such purchase would cause more than 5% of the current value of the Fund's assets to be invested in such companies; and (3) invest in securities of other investment companies, except by purchase in the open

market where no commission or profit to a sponsor or dealer results from such purchase other than the customary broker's commission, except when such purchase is part of a plan of merger, consolidation, reorganization or acquisition.

TRUSTEES AND OFFICERS OF THE FUND

The Trust's Trustees and officers and their principal occupations and business affiliations during the past five years are set forth below. All of the Trustees are also trustees, directors or managing general partners of Oppenheimer Total Return Fund, Inc., Oppenheimer Equity Income Fund, Oppenheimer High Yield Fund, Oppenheimer Cash Reserves, Oppenheimer Tax-Exempt Cash Reserves, Oppenheimer Tax-Exempt Bond Fund, Oppenheimer Government Securities Fund, The New York Tax-Exempt Income Fund, Inc., Centennial America Fund, L.P., Oppenheimer Champion High Yield Fund, Oppenheimer Main Street Funds, Inc., Oppenheimer Strategic Funds Trust, Oppenheimer Strategic Income & Growth Fund, Oppenheimer Strategic Investment Grade Bond Fund, Oppenheimer Strategic Short-Term Income Fund and Oppenheimer Variable Account Funds; as well as the following "Centennial Funds": Daily Cash Accumulation Fund, Inc., Centennial Money Market Trust, Centennial Government Trust, Centennial New York Tax Exempt Trust, Centennial Tax Exempt Trust and Centennial California Tax Exempt Trust, (all of the foregoing funds are collectively referred to as the "Denver OppenheimerFunds"). All of the Fund's officers except Ms. Wilson are officers of the Denver OppenheimerFunds. Mr. Fossel is President and Mr. Swain is Chairman of the Denver OppenheimerFunds. As of December 31, 1993, the Trustees and officers of the Fund as a group owned less than 1% of the Fund's outstanding shares.

ROBERT G. AVIS, Trustee*

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

WILLIAM A. BAKER, Trustee

197 Desert Lakes Drive, Palm Springs, California 92264
Management Consultant.

CHARLES CONRAD, JR., Trustee

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

JON S. FOSSEL, President and Trustee*

Two World Trade Center, New York, New York 10048-0203
Chairman, Chief Executive Officer and a director of the Manager; President and a director of Oppenheimer Acquisition Corp. ("OAC"), the Manager's parent holding company; President and a director of HarbourView Asset Management Corporation ("HarbourView"), a subsidiary of the Manager; a

director of Shareholder Services, Inc. ("SSI") and Shareholder Financial Services, Inc. ("SFSI"), transfer agent subsidiaries of the Manager; formerly President of the Manager.

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

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

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

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

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

ANDREW J. DONOHUE, Vice President
Executive Vice President and General Counsel of Oppenheimer Management Corporation ("OMC") (the "Manager") and Oppenheimer Funds Distributor, Inc. (the "Distributor"); an officer of other Oppenheimer Funds; formerly Senior Vice President and Associate General Counsel of the Manager and the Distributor; Partner in, Kraft & McManimon (a law firm); an officer of First Investors Corporation (a broker-dealer) and First Investors Management Company, Inc. (broker-dealer and investment adviser); director and an officer of First Investors Family of Funds and First Investors Life Insurance Company.

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

of OAMC.

MARY E. WILSON, Vice President and Portfolio Manager
Two World Trade Center, New York, New York 10048-0203
Vice President and Managing Director of the Sub-Advisor; Vice President
of MML Series Investment Fund; and Vice President of MassMutual
Participation Investors.

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

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

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

Remuneration of Trustees. The officers of the Fund (including Messrs.
Fossel and Swain) are affiliated with the Manager and receive no salary
or fee from the Fund. During the Fund's fiscal year ended December 31,
1993, the remuneration (including expense reimbursements) paid to all
Trustees of the Fund (excluding Messrs. Fossel and Swain) for services as
Trustees and as members of one or more committees totaled \$_____. The
Fund has an Audit and Review Committee, comprised of William A. Baker
(Chairman), Charles Conrad, Jr. and Robert M. Kirchner. This Committee
meets regularly to review audits, audit procedures, financial statements
and other financial and operational matters of the Fund.

Major Shareholders. As of _____, 1994, no person owned
of record or was known by the Fund to own beneficially 5% or more of any
class of the Fund's outstanding shares.

HOW THE FUND IS MANAGED

The Fund's Manager is wholly-owned by Oppenheimer Acquisition Corp.,
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 may serve as officers of the Fund, and two of
whom (Messrs. Jon S. Fossel and James C. Swain) serve as Trustees of the
Fund.

The Investment Advisory Agreement, dated as of March 28, 1991,
between the Trust on behalf of the Fund and OMC (the "Agreement")
requires the Manager, at its expense, to provide the Fund with adequate
office space, facilities and equipment and to provide and supervise the

activities of all administrative and clerical personnel required to provide effective administration for the Fund, including investment management services, the compilation and maintenance of records with respect to its operations, the preparation and filing of specified reports, and composition of proxy materials and registration statements for continuous public sale of shares of the Fund. Expenses not expressly assumed by the Manager under the Agreement or paid by the Distributor are paid by the Fund. The Agreement lists examples of expenses paid by the Fund, the major categories of which relate to interest, taxes, brokerage fees, 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.

The Agreement provides that in the absence of willful misfeasance, bad faith or gross negligence in the performance of its duties or reckless disregard for its obligations and duties thereunder, the Manager is not liable for any loss sustained by reason of good faith errors or omissions in connection with any matters to which the Agreement relates. The Agreement permits the Manager to act as investment adviser for any other person, firm or corporation and to use the name "Oppenheimer" in connection with any of its activities or licensed by the Manager to any other person. 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.

MassMutual serves as investment sub-adviser to the Fund pursuant to a Sub-Advisory Agreement between MassMutual and OMC dated as of March 28, 1991. Under the Sub-Advisory Agreement, MassMutual is responsible for managing the Fund's portfolio of securities and making investment decisions with respect to the Fund's investments, subject to the Fund's investment policies established by the Board of Trustees of the Trust, and in accordance with the Fund's investment objective, policies and restrictions, set forth in the Prospectus and in this Statement of Additional Information. The Sub-Advisory Agreement has the same provisions as to renewal, termination and the standard of care as the Investment Advisory Agreement, and both Agreements are subject to annual approval by the Trustees, who may terminate either Agreement on sixty days' notice approved by a majority of the Trustees.

The Agreements contain no expense limitation. However, independently of the Agreements, the Manager has undertaken that the total expenses of the Fund in any fiscal year (including the management fee, but excluding taxes, interest, brokerage fees, distribution plan payments, and extraordinary expenses, such as litigation costs) shall not exceed (and the Manager undertakes to reduce the Fund's management fee in the amount by which such expenses shall exceed) the most stringent applicable state "blue sky" expense limitation requirement for qualification of sale of the Fund's shares. At present, that limitation is imposed by California and limits expenses (with specified exclusions) to 2.5% of the first \$30 million of the Fund's average annual net assets, 2.0% of the next \$70 million of average net assets and 1.5% of average net assets in excess of

\$100 million. The Manager reserves the right to change or eliminate this expense limitation at any time. The payment of the management fee at the end of any month will be reduced so that at no time will there be any accrued but unpaid liability under the above expense limitation.

Prior to March 28, 1991, the Sub-Adviser was the Fund's investment adviser, and MML Investors Services, Inc. ("MMLISI"), a wholly-owned subsidiary of MassMutual (and therefore an affiliate of an affiliate of the Fund), was the Distributor of shares of the Fund. For the fiscal years ended December 31, 1991, the advisory fees paid to MassMutual for the period from January 1, 1991 to March 27, 1991 under the previous investment advisory agreement was \$75,574, and the advisory fees paid to the Manager under the Agreement was \$266,278 (net of a \$21,414 reimbursement by the Sub-Adviser), of which \$142,541 was paid by the Manager to MassMutual pursuant to the Sub-Advisory Agreement. For the fiscal year ended December 31, 1992, the advisory fees paid to the Manager was \$491,642, of which \$342,743 was paid by the Manager to the Sub-Adviser. For the fiscal year ended December 31, 1993, the advisory fees paid to the Manager was \$_____, of which \$_____ was paid by the Manager to the Sub-Adviser.

BROKERAGE POLICIES OF THE FUND

Brokerage Provisions of the Investment Advisory and Sub-Advisory Agreements. One of the duties of the Sub-Adviser under the Sub-Advisory Agreement is to arrange the portfolio transactions of the Fund. In doing so, the Sub-Adviser is authorized by the Sub-Advisory Agreement to employ broker-dealers ("brokers"), 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 Sub-Adviser need not seek competitive commission bidding or base its selection on "posted" rates, but is expected to be aware of the current rates of eligible brokers and to minimize the commissions paid to the extent consistent with the provisions of the Sub-Advisory Agreement and the interests and policies of the Fund as established by the Trust's Board of Trustees.

Under the Sub-Advisory Agreement, the Sub-Adviser is authorized to select brokers which provide brokerage and/or research services for the Fund and/or the other accounts over which it or its affiliates have investment discretion. The commissions paid to such brokers may be higher than another qualified broker would have charged, if a good faith determination is made by the Sub-Adviser that the commission is reasonable in relation to the services provided. Most purchases made by the Fund are principal transactions at net prices, and the Fund incurs little or no brokerage costs. During the fiscal year ended December 31, 1991, 1992 and 1993, no brokerage commissions were paid by the Fund.

Description of Brokerage Practices Followed by the Manager. Subject

to the provisions of the Agreement, when brokers are used for the Fund's portfolio transactions, allocations of brokerage are made by portfolio managers under the supervision of the Manager's executive officers and the Sub-Adviser. Transactions in securities other than those for which an exchange is the primary market are generally done with principals or market makers. Brokerage commissions are paid primarily for effecting transactions in listed securities and 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 transactions 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 Sub-Adviser or its affiliates are combined. 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. Option commissions may be relatively higher than those which would apply to direct purchases and sales of portfolio securities.

The research services provided by a particular broker may be useful only to one or more of the advisory accounts of the Sub-Adviser and its affiliates, and investment research received for the commissions of those other accounts may be useful both to the Fund and one or more of such other accounts. Such research, which may be supplied by a third party at the instance of a broker, includes information and analyses on particular companies and industries as well as market or economic trends and portfolio strategy, receipt of market quotations for portfolio evaluations, information systems, computer hardware and similar products and services. If a research service also assists the Sub-Adviser in a non-research capacity (such as bookkeeping or other administrative functions), then only the percentage or component that provides assistance to the Sub-Adviser in the investment decision-making process may be paid for in commission dollars. The research services provided by brokers broaden the scope and supplement the research activities of the Sub-Adviser by making available additional views for consideration and comparisons, and enabling the Sub-Adviser to obtain market information for the valuation of securities held in the Fund's portfolio or being considered for purchase. The Board, including the independent Trustees of the Trust (those Trustees of the Trust 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 Agreements, the Plans of Distribution described below or in any agreements relating to those Plans), annually reviews information furnished by the Sub-Adviser as to the commissions paid to brokers furnishing such services in an effort to ascertain that the amount of such commissions was reasonably related to the value or the benefit of such services.

Pursuant to the Sub-Advisory Agreement, the Sub-Adviser is authorized, in arranging the purchase and sale of the Fund's portfolio securities, to employ or deal with such members of the securities exchanges, brokers or dealers as may in the its best judgement implement the policy of the Fund to obtain, at reasonable expense, the "best

execution" (i.e., prompt and reliable execution at the most favorable security price obtainable) of the Fund's portfolio transactions. The Sub-Adviser shall select broker-dealers to effect the Fund's portfolio transactions 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 the Sub-Adviser on the basis of all relevant factors and considerations.

Securities held by the Fund may also be held by Sub-Adviser in its investment accounts and by other investment companies for which it acts as investment adviser. If the same security is purchased or sold for the Fund and such investment accounts or companies at or about the same time, such purchases or sales normally will be combined, to the extent practicable, and will be allocated as nearly as practicable on a pro rata basis in proportion to the amounts to be purchased and sold. The main factors to be considered will be the investment objectives of the respective portfolios, the relative size of portfolio holdings of the same or comparable security, availability of cash for investment by the various portfolios and the size of their respective investment commitments. It is believed that the ability of the Fund to participate in larger volume transactions will, in most cases, produce better execution for the Fund. In some cases, however, this procedure could have a detrimental effect on the price and amount of a security available to the Fund or the price at which a security may be sold. It is the opinion of the Trust's management that such execution advantage and the desirability of retaining the Sub-Adviser in that capacity outweigh the disadvantages, if any, which might result from this procedure.

YOUR INVESTMENT ACCOUNT

How the Fund Determines Net Asset Value Per Share. The net asset values per share of Class A and Class B shares of the Fund are determined as of 4:00 P.M. New York time each day the New York Stock Exchange (the "NYSE") is open by dividing the value of the Fund's net assets attributable to that class by the number of shares of that class outstanding. The NYSE'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 at times when the NYSE is closed (including weekends and holidays, or after 4:00 P.M. on a regular business day). Because the net asset values of the Fund will not be calculated at such times, if securities held in the Fund's portfolio are traded at such times, the net asset values per share of Class A and Class B shares of the Fund may be significantly affected on such days when shareholders do not have the ability to purchase or redeem shares.

The Trust's Board of Trustees has established procedures for the valuation of the Fund's securities as follows: (i) equity securities

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

Trading in securities on European and Asian exchanges and over-the-counter markets is normally completed before the close of the NYSE. Events affecting the values of foreign securities traded in such markets that occur between the time their prices are determined and the close of the NYSE will not be reflected in the Fund's calculation of net asset value unless the Board of Trustees, the Manager or the Sub-Adviser, under procedures established by the Board, determines that the particular event would materially affect the Fund's net asset value, in which case an adjustment would be made.

In the case of U.S. Government Securities, mortgage-backed securities, foreign fixed-income securities and corporate bonds, when 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 Trust's Board of Trustees has authorized the Manager and/or the Sub-Adviser to employ a pricing service to price U.S. Government Securities, mortgage-backed securities, foreign government securities and corporate bonds. The Trustees will monitor the accuracy of such pricing services by comparing prices used for portfolio evaluation to actual sales prices of selected securities.

Calls, puts and Futures are valued at the last sale prices on the

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

Alternative Sales Arrangements - Class A and Class B Shares. The Alternative Sales Arrangements permit an investor to choose the method of purchasing shares that is more beneficial to the investor depending on the amount of the purchase, the length of time the investor expects to hold shares and other relevant circumstances. Investors should understand that the purpose and function of the deferred sales charge and asset-based sales charge with respect to Class B shares are the same as those of the initial sales charge with respect to Class A shares. 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 the other. The Distributor will not accept any order for \$1 million or more of Class B shares on behalf of a single investor (not including dealer "street name" or omnibus accounts) because generally it will be more advantageous for that investor to purchase Class A shares of the Fund instead.

The two 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 shares and the dividends payable on Class B shares will be reduced by incremental expenses borne solely by that class, including the asset-based sales charge to which Class B shares are subject.

The conversion of Matured Class B shares to Class A shares 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 Matured 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 Matured Class B shares would occur while such suspension remained in effect. Although Matured 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 and Class B shares recognizes two types of expenses. General expenses that do not pertain specifically to either class are allocated pro rata to the shares of each class, based on the percentage of the net assets of such class to the Fund's total net

assets, and then equally to each outstanding share within a given class. Such general expenses include (i) management fees, (ii) legal, bookkeeping and audit fees, (iii) printing and mailing costs of shareholder reports, Prospectuses, Additional Statements and other materials for current shareholders, (iv) fees to unaffiliated Trustees, (v) custodian expenses, (vi) share issuance costs, (vii) organization and start-up costs, (viii) interest, taxes and brokerage commissions, and (ix) non-recurring expenses, such as litigation costs. Other expenses that are directly attributable to a class are allocated equally to each outstanding share within that class. Such expenses include (i) Distribution 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.

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 the shares. Dividends will begin to accrue on such shares on the day the Fund receives Federal Funds for such purchase through the ACH system before 4:00 P.M., which is normally 3 days after the ACH transfer is initiated. The Distributor and the Fund are not responsible for any delays. If the Federal Funds are received after 4:00 P.M., dividends will begin to accrue on the next regular business day after such Federal Funds are received.

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

- The OppenheimerFunds. The OppenheimerFunds 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 Bond Fund
- Oppenheimer Insured Tax-Exempt Bond 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 Time Fund
Oppenheimer Target Fund
Oppenheimer Special Fund
Oppenheimer Equity Income Fund
Oppenheimer Value Stock Fund
Oppenheimer Asset Allocation Fund
Oppenheimer Total Return Fund, Inc.
Oppenheimer Main Street Income & Growth Fund
Oppenheimer High Yield Fund
Oppenheimer Champion High Yield Fund
Oppenheimer Investment Grade Bond Fund
Oppenheimer U.S. Government Trust
Oppenheimer Limited-Term Government Fund
Oppenheimer Mortgage Income Fund
Oppenheimer Global Fund
Oppenheimer Global Bio-Tech Fund
Oppenheimer Global Environment Fund
Oppenheimer Global Growth & Income Fund
Oppenheimer Gold & Special
Minerals Fund
Oppenheimer Strategic Income Fund
Oppenheimer Strategic Investment Grade Bond Fund
Oppenheimer Strategic Short-Term Income Fund
Oppenheimer Strategic Income & Growth Fund
Oppenheimer Strategic Diversified Income Fund

the following "Money Market Funds":

Oppenheimer Money Market Fund, Inc.
Oppenheimer Cash Reserves
Oppenheimer Tax-Exempt Cash Reserves
Centennial Money Market Trust
Centennial Tax Exempt Trust
Centennial Government Trust
Centennial New York Tax Exempt Trust
Centennial California Tax Exempt Trust
Centennial America Fund, L.P.
Daily Cash Accumulation Fund, Inc.

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 CDSC).

- Letters of Intent. A Letter of Intent ("Letter") is the investor's statement of intention to purchase Class A shares of the Fund (and other eligible Oppenheimer Funds) sold with a front-end sales charge during the 13-month period from the investor's first purchase pursuant to the Letter (the "Letter of Intent period"), which may, at the investor's request, include purchases made up to 90 days prior to the date of the

Letter. The Letter states the investor's intention to make the aggregate amount of purchases (excluding any purchases made by reinvestments of dividends or distributions or purchases made at net asset value without sales charge), which together with the investor's holdings of such funds (calculated at their respective public offering prices calculated on the date of the Letter) will equal or exceed the amount specified in the Letter to obtain the reduced sales charge rate (as set forth in the Prospectus) applicable to purchases of shares in that amount (the "intended amount"). Each purchase under the Letter will be made at the public offering price applicable to a single lump-sum purchase of shares in the intended amount, as described in the Prospectus.

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

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

In determining the total amount of purchases made under a Letter, shares redeemed by the investor prior to the termination of the Letter of Intent period will be deducted. It is the responsibility of the dealer of record and/or the investor to 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 to 5% of the intended amount specified in the Letter shall be held in escrow by the Transfer Agent. For example, if the intended amount specified under the Letter is \$50,000, the escrow shall be shares valued in the amount of \$2,500 (computed at the public offering price adjusted for a \$50,000 purchase). Any dividends and capital gains distributions on the escrowed shares will be credited to the investor's account.
2. If the total minimum investment 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 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 the Letter) do not include any shares sold without a front-end sales charge or without being subject to a Class A contingent deferred sales charge unless (for the purpose of determining completion of the obligation to purchase shares under the Letter) the shares were acquired in exchange for shares of one of the OppenheimerFunds whose shares were acquired by payment of a sales charge.
6. Shares held in escrow hereunder will automatically be exchanged for shares of another fund to which an exchange is requested, as described in the section of the Prospectus entitled "Exchange Privilege," and the escrow will be transferred to that other fund.

Redemptions. Information on how to redeem shares of the Fund is

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

The Fund's Board of Trustees has the right to cause the involuntary redemption of the shares held in any account if the aggregate net asset value of such shares is less than \$1,000 or such lesser amount as the Board may fix. The Fund's Board of Trustees will not cause the involuntary redemption of shares held in an account if the aggregate net asset value of such shares has fallen below the stated minimum solely as result of market fluctuations. Should the Board elect to exercise this right, it may also fix, in accordance with the Investment Company Act, the requirements for any notice to be given to the shareholders in question (not less than 30 days), or may set requirements for permission to allow the shareholder to increase the investment so that the shares would not be involuntarily redeemed.

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 Tax-Exempt Cash Reserves or Oppenheimer Cash Reserves to use those accounts for monthly automatic purchases of shares of up to four other Eligible Funds.

There is a sales charge on the purchase of certain Eligible Funds. An application should be obtained from the Transfer Agent, completed and returned, and a prospectus of the selected fund(s) (available from the Distributor) should be obtained 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.

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.

Reinvestment Privilege. Within six months of a redemption, a shareholder may reinvest all or part of the redemption proceeds of (i) Class A shares, or (ii) Class B shares that were subject to the Class B contingent deferred sales charge when redeemed, in Class A shares of the Fund or any of the other OppenheimerFunds into which shares of the Fund are exchangeable as described below, at the net asset value next computed after receipt by the Transfer Agent of the reinvestment order. The shareholder must ask the Distributor for such 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 Internal Revenue Code, if the redemption proceeds of Fund shares on which a sales charge was paid are reinvested in shares of the Fund or another of the OppenheimerFunds 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. 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.

Transfer of Shares. Shares are not subject to the payment of a contingent deferred sales charge of either 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 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, 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. 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) in OppenheimerFunds-sponsored pension or profit-sharing plans may not directly request redemption of their accounts. The employer or plan administrator must sign the request. Distributions from pension and profit sharing plans are subject to special requirements under the Internal Revenue Code and certain documents (available from the Transfer Agent) must be completed before the distribution may be made. Distributions from retirement plans are subject to withholding requirements under the Internal Revenue Code, and IRS Form W-4P (available from the Transfer Agent) must be submitted to the Transfer Agent with the distribution request, or the distribution may be delayed. Unless the shareholder has provided the Transfer Agent with a certified tax identification number, the Internal Revenue Code requires that tax be withheld from any distribution even if the shareholder elects not to have tax withheld. The 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 will be the net asset value next computed after the receipt of an order placed by such dealer or broker, except that orders received from dealers or brokers after 4:00 P.M. on a regular business day will be processed at that day's net asset value if such orders were received by the dealer or broker from its customers prior to 4:00 P.M., and were transmitted to and received by the Distributor prior to its close of business that day (normally 5:00 P.M.). Payment ordinarily will be made within seven days after the Distributor's receipt of the required documents, with signature(s) guaranteed as described above.

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 by check payable to all shareholders of record and sent to the address of record for the account (and if the address has not been changed within the prior 30 days). Required minimum distributions from OppenheimerFunds-sponsored retirement plans may not be arranged on this basis. Payments are normally made by check, but shareholders having AccountLink privileges (see "How To Buy Shares") may arrange to have Automatic Withdrawal Plan payments transferred to the bank account designated on the OppenheimerFunds New Account Application or signature-guaranteed instructions. The Fund cannot guarantee receipt of the payment on the date requested and reserves the right to amend, suspend or discontinue offering such plans at any time without prior notice. Because of the sales charge assessed on Class A share purchases, shareholders should not make regular additional Class A purchases while participating in an Automatic Withdrawal Plan. Class B shareholders should not establish withdrawal plans, because of the imposition of the Class B CDSC on such withdrawals (except where the Class B CDSC is waived as described in "Class B 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.

- 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 OppenheimerFunds 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 "Exchange Privilege" in the Prospectus and "How to Exchange Shares" 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 thereafter 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 such plans should not be considered as a yield or income on your

investment. It may not be desirable to purchase additional Class A shares while making automatic withdrawals because of the sales charges that apply to purchases when made. Accordingly, a shareholder normally may not maintain an Automatic Withdrawal Plan while simultaneously making regular purchases of Class A shares.

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 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 (the date selected for receipt is an approximate date), 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 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. The list of OppenheimerFunds to which exchanges of shares may be made (subject to restrictions in the Prospectus and in this Statement of Additional Information) is contained in "Reduced Sales Charges," above.

Class A shares of OppenheimerFunds may be exchanged for shares of any Money Market Fund; shares of any Money Market Fund purchased without a sales charge may be exchanged for shares of OppenheimerFunds offered with a sales charge upon payment of the sales charge (or, if applicable, may be used to purchase shares of OppenheimerFunds subject to a CDSC); and shares of this Fund acquired by reinvestment of dividends or distributions from any other of the OppenheimerFunds or from any unit investment trust for which reinvestment arrangements have been made with the Distributor may be exchanged at net asset value for shares of any of the OppenheimerFunds. No CDSC is imposed on exchanges of shares of either class purchased subject to a CDSC. However, when Class A shares acquired by exchange of Class A shares purchased subject to a Class A CDSC are redeemed within 18 months of the end of the calendar month of the initial purchase of the exchanged Class A shares, the Class A CDSC is imposed on the redeemed shares (see "Class A Contingent Deferred Sales Charge" in the Prospectus), and the Class B CDSC is imposed on Class B shares redeemed within six years of the initial purchase of the exchanged Class B 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 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 Class B 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 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 both classes must specify whether they intend to exchange Class A or Class B shares.

When exchanging shares by telephone, the shareholder must either have an existing account in, or 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 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 request 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 OppenheimerFunds 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 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 transaction.

Exchanges of Class B Shares. As stated in the Prospectus, shares of a particular class of OppenheimerFunds having more than one class of

shares may be exchanged only for shares of the same class of another of the OppenheimerFunds. All of the OppenheimerFunds (except Oppenheimer Strategic Diversified Income Fund) offer Class A shares; if the shares of a fund offering one class are not denominated with a class designation in the Prospectus, they are considered "Class A" shares. Only the following other OppenheimerFunds offer Class B shares as of the date of this Statement of Additional Information (this list may change from time to time, and to obtain a current list, please call the Transfer Agent at 1-800-525-7048):

Oppenheimer Strategic Income Fund
Oppenheimer Strategic Income & Growth Fund
Oppenheimer Strategic Investment Grade Bond Fund
Oppenheimer Strategic Short-Term Income Fund
Oppenheimer New York Tax-Exempt Fund
Oppenheimer Tax-Free Bond Fund
Oppenheimer California Tax-Exempt Fund
Oppenheimer Pennsylvania Tax-Exempt Fund
Oppenheimer Florida Tax-Exempt Fund
Oppenheimer New Jersey Tax-Exempt Fund
Oppenheimer Insured Tax-Exempt Bond Fund
Oppenheimer Main Street California Tax-Exempt Fund
Oppenheimer Total Return Fund, Inc.
Oppenheimer Value Stock Fund
Oppenheimer Limited-Term Government Fund
Oppenheimer High Yield Fund
Oppenheimer Mortgage Income Fund
Oppenheimer Cash Reserves (Class B shares are only available by exchange)
Oppenheimer Special Fund
Oppenheimer Equity Income Fund
Oppenheimer Global Fund

The Transfer Agent. Oppenheimer Shareholder Services, as transfer agent, is responsible for maintaining the Fund's shareholder registry and shareholder accounting records, and for shareholder servicing and administrative functions. For information about your account, call the toll-free number or write to the address of the Transfer Agent on the front cover.

PERFORMANCE OF THE FUND

As described in the Prospectus, from time to time the "standardized yield," "dividend yield," "average annual total return", "total return," and "total return at net asset value" of an investment in each class of Fund shares may be advertised. An explanation of how yields and total returns are calculated for each class and the components of those calculations are set forth below.

Yield and total return information may be useful to investors in reviewing the Fund's performance. The Fund's advertisement of its

performance must, under applicable SEC rules, include the average annual total returns for each class of shares of the Fund for the 1, 5 and 10-year period (or the life of the class, if less) as of the most recently ended calendar quarter. 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 yield and total return 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. Yield and total return for any given past period are not a prediction or representation by the Fund of future yields or rates of return on its shares. The yield and total returns of the Class A and Class B shares of the Fund are affected by portfolio quality, portfolio maturity, the type of investments the Fund holds and its operating expenses.

Standardized Yields. 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:

$$\text{Standardized Yield} = 2 \left(\frac{a-b}{cd} + 1 \right)^{\frac{6}{360}} - 1$$

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 the 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, 1993, the standardized yields for the Fund's Class A and Class B shares were _____% and _____, respectively.

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 Class A or Class B share 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:

Dividend Yield of the Class =

Dividends of the Class

 Max Offering Price of the Class (last day of period)

Divided by number of days (accrual period) x 365

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

From time to time similar yield or distribution return calculations may also be made using the Class A net asset value (instead of its respective maximum offering price) at the end of the period. The dividend yields on Class A shares for the 30-day period ended December 31, 1993, were _____% and _____% when calculated at maximum offering price and at net asset value, respectively. The dividend yield on Class B shares for the 30-day period ended December 31, 1993, was _____% when calculated at net asset value.

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"), according to the following formula:

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

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. Total return is determined as follows:

ERV - P

- ----- = Total Return

P

In calculating total returns for Class A shares, the current maximum sales charge of 4.75% (as a percentage of the offering price) is deducted from the initial investment ("P") (unless the return is shown at net asset value, as discussed below). For Class B shares, the payment of the applicable contingent deferred sales charge (5.0% for the first year, 4.0% for the second year, 3.0% for the third and fourth years, 2.0% in the fifth year, 1.0% in the sixth year and none thereafter) is applied to the investment result for the time period shown (unless the total return is shown at net asset value, as described below). 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 Class A shares of the Fund for the one year period ended December 31, 1993 and for the period from April 15, 1988 (the date the Fund became an open-end Fund) to December 31, 1993, were _____% and _____%, respectively. The cumulative "total return" on Class A shares for the latter period was _____%. For the fiscal period from May 3, 1993, through December 31, 1993, the average annual total return and the cumulative total return on an investment in Class B shares of the Fund were _____% and _____%, respectively.

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 or Class B shares. It 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 sales charges) and takes into consideration the reinvestment of dividends and capital gains distributions. The cumulative "total returns at net asset value" on the Fund's Class A shares for the fiscal year ended December 31, 1993, and for the period from April 15, 1988 to December 31, 1993 were _____% and _____%, respectively. The cumulative total return at net asset value on the Fund's Class B shares for the fiscal period from May 3, 1993 through December 31, 1993 was _____%.

Other Performance Comparisons. From time to time the Fund may publish the ranking of the performance of its Class A or Class B shares by Lipper Analytical Services, Inc. ("Lipper"), a widely-recognized independent mutual fund monitoring 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 is ranked against (i) all other funds, excluding money market funds, and (ii) all other general bond funds. The Lipper performance rankings are based on total return that includes the reinvestment of capital gains distributions and income dividends but does not take sales charges or taxes into consideration.

The Fund's performance may also be compared to the performance of the Lipper General Bond Fund Index, which is a net asset value weighted index of general bond funds compiled by Lipper. It is calculated with adjustments for income dividends and capital gains distributions as of the ex-dividend date.

From time to time the Fund may publish the ranking of the performance of its Class A or Class B shares by Morningstar, Inc., an independent mutual fund monitoring service that ranks mutual funds, including the Fund, in broad investment categories (equity, taxable bond, tax-exempt and other) monthly, based upon each fund's three, five and ten-year average annual total returns (when available) and a risk adjustment factor that reflects Fund performance relative to three-month U.S. Treasury bill monthly returns. Such returns are adjusted for fees and sales loads. There are five ranking categories with a corresponding number of stars: highest (5), above average (4), neutral (3), below average (2) and lowest (1). Ten percent of the funds, series or classes in an investment category receive 5 stars, 22.5% receive 4 stars, 35% receive 3 stars, 22.5% receive 2 stars, and the bottom 10% receive one star. Morningstar ranks the Class A and Class B shares of the Fund in relation to other taxable bond funds.

The total return on an investment made in Class A or Class B shares of the Fund may be compared with the performance for the same period of the Consumer Price Index, the Salomon Brothers World Government Bond Fund Index, the Salomon Brothers High Grade Corporate Bond Index, the Shearson Lehman Government/Corporate Bond Index and the J.P. Morgan Government Bond Index. The Consumer Price Index is generally considered to be a measure of inflation. The Salomon Brothers World Government Bond Index generally represents the performance of government debt securities of various markets throughout the world, including the United States. The Salomon Brothers High Grade Corporate Bond Index generally represents the performance of high grade long-term corporate bonds, and the Shearson Lehman Government/Corporate Bond Index generally represents the performance of intermediate and long-term government and investment grade corporate debt securities. The J.P. Morgan Government Bond Index generally represents the performance of government bonds issued by various countries including the United States. The foregoing bond indices are unmanaged indices of securities that do not reflect reinvestment of capital gains or take investment costs into consideration, as these items are not applicable to indices.

From time to time the Fund may also include in its advertisements and sales literature performance information about the Fund or rankings of the Fund's performance cited in newspapers or periodicals, such as The New York Times. These articles may include quotations of performance from other sources, such as Lipper or Morningstar.

When comparing yield, total return and investment risk of an investment in Class A or Class B shares of the Fund with other investments, investors should understand that certain other investments

have different risk characteristics than an investment in shares of the Fund. For example, certificates of deposit may have fixed rates of return and may be insured as to principal and interest by the FDIC, while the Fund's returns will fluctuate and its share values and returns are not guaranteed. Money market accounts offered by banks also may be insured by the FDIC and may offer stability of principal. U.S. Treasury securities are guaranteed as to principal and interest by the full faith and credit of the U.S. government. Money market mutual funds may seek to offer a fixed price per share.

DISTRIBUTION AND SERVICE PLANS

The Fund has adopted a Service Plan for Class A Shares and a Distribution and Service Plan for Class B shares of the Fund under Rule 12b-1 of the Investment Company Act, pursuant to which the Fund will reimburse the Distributor for all or a portion of its costs incurred in connection with the distribution and/or servicing of the shares of that class, as described in the Prospectus. Each Plan has been approved by a vote of (i) the Board of Trustees of the Fund, including a majority of the Independent Trustees, cast in person at a meeting called for the purpose of voting on that Plan, and (ii) the holders of a "majority" (as defined in the Investment Company Act) of the shares of each class (for the Distribution and Service Plan for the Class B shares, that vote was cast by the Manager as the then-sole initial holder of Class B shares of the Fund). In addition, the Manager and the Distributor may, under the Plans, from time to time from their own resources (which, as to the Manager, may include profits derived from the advisory fee it receives from the Fund) make payments to Recipients for distribution and administrative services they perform. The Distributor and the Manager may, in their sole discretion, increase or decrease the amount of distribution assistance payments they make to Recipients from their own assets. For further details, see the discussions relating to the Plans in "How to Buy Shares" in the Prospectus.

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 and its Independent Trustees by a vote cast in person at a meeting called for the purpose of voting on such continuance. Either Plan may be terminated at any time by the vote of a majority of the Independent Trustees or by the vote of the holders of a "majority" (as defined in the Investment Company Act) of the outstanding shares of that class. Neither Plan may be amended to increase materially the amount of payments to be made unless such amendment is approved by shareholders of the respective class, who vote exclusively on approval or amendment of the Plan for that class. All material amendments must be approved by 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 on the amount of all payments made pursuant to each Plan, the

purpose for which the payment was made and the identity of each Recipient that received any such payment. The report for the Class B Plan shall also include the distribution costs for that quarter, and such costs for previous fiscal periods that are carried forward, as explained in the Prospectus and below. Those reports, including the allocations on which they are based, will be subject to the review and approval of the Independent Trustees in the exercise of their fiduciary duty. Each Plan further provides that while it is in effect, the selection 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 on any such selection or nomination is approved by a majority of the Independent Trustees.

Under the Plans, no payment will be made to any broker, dealer or other financial institution under the Plan (each is referred to as a "Recipient") in any quarter if the aggregate net asset value of all Fund shares held by the Recipient for itself and its customers did not exceed a minimum amount, if any, that may be determined from time to time by a majority of the Fund's Independent Trustees. Initially, the Board of Trustees has set the fee at the maximum rate allowed under the Plans and set no minimum amount.

For the fiscal year ended December 31, 1993, payments under the Class A Plan totaled \$_____, all of which was paid by the Distributor to Recipients, including \$_____ paid to MMLISI. Unreimbursed expenses incurred with respect to Class A shares for any fiscal quarter by the Distributor may not be recovered under the Class A Plan in subsequent fiscal quarters. Payments received by the Distributor under the Class A Plan will not be used to pay any interest expense, carrying charges, or other financial costs, or allocation of overhead by the Distributor.

The Class B Plan allows the service fee payment to be paid by the Distributor to Recipients in advance for the first year Class B shares are outstanding, and thereafter on a quarterly basis, as described in the Prospectus. Service fee payments by the Distributor to Recipients will be made (i) in advance for the first year Class B shares are outstanding, following the purchase of shares, in an amount equal to 0.25% of the net asset value of the shares purchased by the Recipient or its customers and (ii) thereafter, on a quarterly basis, computed as of the close of business each day at an annual rate of 0.25% of the average daily net asset value of Class B shares held in accounts of the Recipient or its customers. An exchange of shares does not entitle the Recipient to an advance payment of the service fee. In the event Class B shares are redeemed during the first year such shares are outstanding, the Recipient will be obligated to repay a pro rata portion of the advance of the service fee payment to the Distributor.

Although the Class B Plan permits the Distributor to retain both the asset-based sales charges and the service fee on Class B shares, or to pay Recipients the service fee on a quarterly 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 by the Board. Initially, the Board has set no minimum holding period. All payments under the Class B Plan become subject to the limitations imposed by the National Association of Securities Dealers, Inc. Rules of Fair Practice on payments of asset based sales charges and service fees. The Distributor anticipates that it will take a number of years for it to recoup (from the Fund's payments to the Distributor under the Class B Plan) the sales commissions paid to authorized brokers or dealers. For the Fiscal period from May 3, 1993 through December 31, 1993, payments under the Class B plan totaled \$_____.

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 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 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 were 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 Plan allows for the carry-forward of distribution expenses, to be recovered from asset-based sales charges in subsequent fiscal periods, as described above and in the Prospectus. In the event the Class B Plan is terminated, the Distributor is entitled to continue to receive the asset-based sales charge of 0.75% per annum on Class B shares sold prior to termination until the Distributor has recovered its Class B distribution expenses incurred prior to termination from such payments and from the Class B CDSC.

The Fund believes that current applicable accounting standards do not require the Fund to record as a current liability its obligation under the Class B Plan to carry over and continue payments of the asset-based sales charge to the Distributor in the future to reimburse it for expenses incurred as to Class B shares sold prior to the termination of the Plan. Those accounting standards are currently being reviewed by the AICPA, as discussed in the Prospectus. If those accounting standards should be changed to require the Fund to recognize that obligation for future payments as a current liability, the Fund's Board would consider other alternatives to that provision of the Class B Plan, because otherwise the treatment of such expenses as a current liability would affect all then-

outstanding Class B shares regardless of how long they had been held. Furthermore, Class B shareholders whose shares had not matured would continue to remain subject to the Class B CDSC.

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

DIVIDENDS, CAPITAL GAINS AND TAXES

Dividends and Distributions. Dividends will be payable on shares held of record at the time of the previous determination of net asset value, or as otherwise described in "How to Buy Shares." 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. Dividends will be declared on shares repurchased by a dealer or broker for four business days following the trade date (i.e., to and including the day prior to settlement of the repurchase). If all shares in an account are redeemed, all dividends accrued on shares of the same class in the account will be paid together with the redemption proceeds.

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, to enable the investor to earn a return on otherwise idle funds.

Special provisions of the Internal Revenue Code govern the eligibility of the Fund's dividends for 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 that shareholder for 45 days or less. To the extent the Fund's dividends are derived from its gross income from option premiums, interest income or short-term capital gains from the sale of securities, or dividends from

foreign corporations, its dividends will not qualify for the deduction. It is expected that for the most part the Fund's dividends will not qualify, because of the nature of the investments held by the Fund in its portfolio.

The amount of a class's distributions may vary from time to time depending on market conditions, the composition of the Fund's portfolio, and expenses borne by the Fund or borne separately by a class, as described in "Alternative Sales Arrangements -- Class A and Class B," above. Dividends are calculated in the same manner, at the same time and on the same day for shares of each class. However, dividends on Class B shares are expected to be lower as a result of the asset-based sales charge on Class B shares, and Class B dividends will also differ in amount as a consequence of any difference in net asset value between Class A and Class B shares.

Distributions may be made annually in December out of any net short-term or long-term capital gains realized from the sale of securities, premiums from expired calls written by the Fund and net profits from Hedging Instruments and closing purchase transactions realized in the twelve months ending on October 31 of the current year. Any difference between the net asset value of Class A and Class B shares will be reflected in such distributions. Distributions from net short-term capital gains are taxable to shareholders as ordinary income and when paid by the Fund are considered "dividends." The Fund may make a supplemental distribution of capital gains and ordinary income following the end of its fiscal year. Any long-term capital gains distributions will be identified separately when paid and when tax information is distributed by the Fund. If prior distributions must be re-characterized at the end of the fiscal year as a result of the effect of the Fund's investment policies, shareholders may have a non-taxable return of capital, which will be identified in notices to shareholders. There is no fixed dividend rate (although the Fund may have a targeted dividend rate for Class A shares) and there can be no assurance as to the payment of any dividends or the realization of any capital gains.

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

Under the Internal Revenue Code, by December 31 each year the Fund

must distribute 98% of its taxable investment income earned from January 1 through December 31 of that year and 98% of its capital gains realized in the period from November 1 of the prior year through October 31 of the current year, or else the Fund must pay an excise tax on the amounts not distributed. The Manager might determine in a particular year that it might be in the best interest of shareholders for the Fund not to make distributions at the required levels and to pay the excise tax on the undistributed amounts. That would reduce the amount of income or capital gains available for distribution to shareholders.

The Internal Revenue Code requires that a holder (such as the Fund) of a zero coupon security accrue as income each year a portion of the discount at which the security was purchased even though the Fund receives no interest payment in cash on the security during the year. As an investment company, the Fund must pay out substantially all of its net investment income each year or be subject to excise taxes, as described above. Accordingly, when the Fund holds zero coupon securities, it 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 during that year. Such distributions will be made from the cash assets of the Fund or by liquidation of portfolio securities, if necessary. 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.

Dividend Reinvestment in Another Fund. Shareholders of the Fund may elect to reinvest all dividends and/or capital gains distributions in shares of the same class of any of the other OppenheimerFunds listed in "Reduced Sales Charges" above at net asset value without sales charge. Not all OppenheimerFunds currently offer Class B shares. The names of Funds that offer Class B shares can be obtained by calling the Distributor at 1-800-525-7048. To elect this option, the shareholder must notify the Transfer Agent in writing and either must have an existing account in the fund selected for reinvestment or must obtain a prospectus for that fund and an application from the Distributor to establish an account. The investment will be made at the net asset value per share in effect at the close of business on the payable date of the dividend or distribution.

ADDITIONAL INFORMATION ABOUT THE FUND

Information about the Fund's Declaration of Trust and Business Structure. Shares of the Fund represent an interest in the Fund proportionately equal to the interest of each other share of the same class and entitle their holders to one vote per share (and a proportional vote for a fractional share) on matters submitted to their vote at shareholder meetings. Only shareholders of a particular class vote on matters affecting only that class. The Trustees may divide or combine the shares of a class into a greater or lesser number of shares without thereby changing the proportionate beneficial interest in the Fund. Shares do not have

cumulative voting rights or preemptive or subscription rights.

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 highly unlikely and is limited to the relatively remote circumstances in which the Fund would be unable to meet its obligations. 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 a defense of any claim made against any shareholder for any act or obligation of the Fund and satisfy any judgment thereon. Any person doing business with the Fund, and any shareholder of the Fund, agrees under the Fund's Declaration of Trust to look solely to the assets of the Fund for satisfaction of any claim or demand that may arise out of any dealings with the Fund, and the Trustees shall have no personal liability to any such person, to the extent permitted by law.

It is not contemplated that regular annual meetings of shareholders will be held. 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 or upon proper request of the shareholders. 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 shareholders 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 in the aggregate shares of the Fund valued at \$25,000 or more or holding 1% or more of the Fund's outstanding shares, whichever is less, that they wish to communicate with other shareholders to request a meeting to remove a Trustee, the Trustees will then either give the applicants access to the Fund's shareholder list, mail their communication to all other shareholders at the applicants' expense, or take alternative action as set forth in Section 16(c) of the Investment Company Act.

Information About the Custodian of the Fund's Portfolio Securities. The Custodian of the assets of the Fund is The Bank of New York. The Custodian's responsibilities include safeguarding and controlling the Fund's portfolio securities, collecting income on the portfolio securities and handling the delivery of such securities to and from the Fund. The Manager and its affiliates have banking relationships with the Custodian. The Manager has represented to the Fund that its banking relationships with the Custodian have been and will continue to be unrelated to and unaffected by the relationship between the Fund and the Custodian. It will be the practice of the Fund to deal with the Custodian in a manner uninfluenced by any banking relationship the Custodian may have with the

Manager and its affiliates. The Fund's cash balances with the Custodian in excess of \$100,000 are not protected by Federal deposit insurance. Such uninsured balances may at times be substantial.

The Distributor. Under the General Distributor's Agreement between the Trust and the Distributor, the Distributor acts as the Fund's principal underwriter in the continuous public offering of the Fund's Class A and Class B shares, but is not obligated to sell a specific number of shares. Expenses normally attributable to sales (other than those paid under the Class B Distribution and Service Plan), 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, 1991, 1992 and 1993, the aggregate amount of sales charges on sales of the Fund's shares was \$100,682, \$337,554 and \$_____, respectively, of which the Distributor and MMLISI retained in the aggregate \$73,003, \$213,717 and \$_____ in those respective years.

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

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

Sub-Adviser
Massachusetts Mutual Life Insurance Company
1295 State Street
Springfield, MA 01111

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

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

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

Independent Auditors
Deloitte & Touche
1560 Broadway
Denver, Colorado 80202

Legal Counsel
Myer, Swanson & Adams, P.C.
1600 Broadway
Denver, Colorado 80202-4918

Oppenheimer Value Stock Fund

Prospectus dated 5/1/94

Oppenheimer Value Stock Fund (the "Fund") is a mutual fund with the investment objective of seeking long-term growth of capital and income primarily through investments in stocks of well established companies. You should carefully review the risks associated with an investment in the Fund. Please refer to "Special Risks" on page __.

The Fund offers two classes of shares: (1) Class A shares sold at a public offering price that includes a front-end sales charge, and (2) Class B shares, which are sold without a front-end sales charge, although you may pay a sales charge when you redeem your shares, depending on how long you own them. Class B shares are also subject to an annual "asset-based sales charge." Each class of shares bears different expenses. In deciding which class of shares to buy, you should consider how much you plan to purchase, how long you plan to keep your shares, and other factors discussed in "How to Buy Shares" on page ____.

This Prospectus explains concisely what you should know before investing in the Fund. Please read it carefully and keep it for future reference. You can find more detailed information about the Fund in the May 1, 1994, Statement of Additional Information. For a free copy, call Oppenheimer Shareholder 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 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).

Shares of the Fund are not deposits or obligations of any bank, nor are they guaranteed by any bank or insured by the F.D.I.C. or any other agency, and involve investment risks including possible loss of principal.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION

PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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INFORMATION ABOUT THE FUND

Expenses

The Fund pays a variety of expenses directly for management of its assets, administration, distribution and other services and those expenses are reflected in the Fund's net asset value per share. As a shareholder, you pay these expenses indirectly. Shareholders pay other expenses directly, such as sales charges. The following tables are provided to help you understand your direct expenses of investing and your share of

the Fund's operating expenses you might expect to bear indirectly, based on the Fund's expenses during its fiscal year ended December 31, 1993.

- Shareholder Transaction Expenses are charges you pay when you buy or sell shares of the Fund. Please refer to pages ____ through ____ for an explanation of how and when these charges apply.

	Class A Shares -----	Class B Shares -----
Maximum Sales Charge on Purchases (as a % of offering price)	5.75%	None
Sales Charge on Reinvested Dividends	None	None
Deferred Sales Charge (as a % of the lower of the original purchase price or redemption proceeds)	None*	5% in the first year, declining to 1% in the sixth year and eliminated thereafter
Exchange Fee	\$5.00**	\$5.00**

*If you invest more than \$1 million 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 during which you purchased those shares. See "How to Buy Shares - Class A Shares," below.

**Fee is waived for automated exchanges on PhoneLink, described in "How to Buy Shares."

- Annual Fund Operating Expenses are paid out of the Fund's assets. The Fund pays management fees to its investment adviser, Oppenheimer Management Corporation (the "Manager") and other regular expenses for services, such as transfer agent fees, custodial fees, audit, legal and other business expenses. The following numbers are projections based on the Fund's historical expenses and are calculated as a percentage of average net assets. The actual numbers may be more or less, depending on a number of factors, including the Fund's actual net assets.

	Class A Shares	Class B Shares
Management Fees	%	%
12b-1 Distribution Plan Fees	%	%
Shareholder Service Plan Fees	%	%
Other Expenses	%	%
Total Fund Operating Expenses	%	%

- Examples. Assume that you made a \$1,000 investment in the Fund, that the Fund's annual return is 5% and that its operating expenses are as described above in the charts.

If you redeemed your shares at the end of each period below, your investment would incur the following expenses:

	1 year	3 years	5 years	10 years*
	-----	-----	-----	-----
Class A Shares	\$	\$	\$	\$
Class B Shares	\$	\$	\$	\$

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

	1 year	3 years	5 years	10 years*
	-----	-----	-----	-----
Class A Shares	\$	\$	\$	\$
Class B Shares	\$	\$	\$	\$

* The Class B expenses in years 7 through 10 are based on the Class A expenses shown above, because the Fund automatically converts your Class B shares into Class A shares after 6 years. Long-term Class B shareholders could pay the economic equivalent of more than the maximum front-end sales charge allowed under applicable regulations, because of the effect of the asset-based sales charge and contingent deferred sales charge. The automatic conversion is designed to minimize the likelihood that this will occur. Please refer to "How to Buy Shares - Class B Shares" for more information.

This example illustrates the effect of expenses on an investment, but it is not meant to state or predict actual or expected costs or investment returns, all of which will vary.

Financial History

The table on this page presents selected per share data and ratios for the Fund. This information has been audited by Deloitte & Touche, the Fund's independent auditors, whose report on the Fund's financial statements is included in the Annual Report in the Statement of Additional Information. The information in the table for the fiscal periods prior to 1991 was audited by the Fund's previous independent auditors. No Class B shares were publicly sold prior to May 3, 1993.

Investment Objective and Policies

Objective. The Fund seeks long-term growth of capital and income primarily through investments in stocks of well established companies.

Investment Policies and Strategies. Under normal market conditions, the Fund will invest primarily in a diversified portfolio of common stocks that pay cash dividends, securities convertible into common stocks and other equity securities, which are issued by companies with a market capitalization of at least \$500 million or with a history of at least five years of operations as a public company, and which are listed on national securities exchanges or traded in the over-the-counter markets. The Fund will invest primarily in cash dividend-paying stocks. Investments are made in securities of companies which in the opinion of Sub-Adviser, are of high quality, offer above-average dividend growth potential and are attractively valued in the marketplace. Investment quality and dividend growth potential are evaluated using fundamental analysis emphasizing each issuer's historic financial performance, balance sheet strength, management capability and competitive position. Various valuation parameters are examined to determine the attractiveness of individual securities. In general, the Fund's holdings will have price/earnings ratios and price/book value ratios below those of the Standard & Poor's 500 Stock Index, a widely recognized index of stock market performance. New purchases are likely to be concentrated in stocks selling below their historical price/earnings ranges relative to the Standard & Poor's 500 Stock Index or below their historical price/book value ranges. Strong consideration is also given to securities of companies whose current prices do not adequately reflect, in the opinion of the Sub-Adviser, the ongoing business value of the enterprise.

To provide liquidity or for temporary defensive purposes, the Fund may invest all or any portion of its assets in high-quality, short-term money market instruments, including: U.S. government obligations; commercial paper which at the date of the investment is rated A-1 or A-2 by Standard & Poor's Corporation ("Standard & Poor's") or P-1 or P-2 by Moody's Investors Service, Inc. ("Moody's") or, if unrated, is issued by companies having an outstanding debt issue currently rated at least A by Standard & Poor's or Moody's; short-term obligations of corporate issuers which at the date of investment are rated AAA or AA by Standard & Poor's or Aaa or Aa by Moody's; bank participation certificates, provided that at the date of investment each of the underlying loans is made to an issuer of securities rated at least A-2, AA or SP-2 by Standard & Poor's or P-2 or Aa by Moody's, and also provided that the underlying loans have a remaining maturity of one year or less; and certificates of deposit and bankers' acceptances of banks and savings and loan associations.

The Fund may enter into repurchase agreements, lend its portfolio securities, enter into forward commitments, purchase securities on a "when issued" basis and purchase foreign securities, as described below. In addition, the Fund, for hedging and other appropriate risk management purposes, may buy call and put options on individual securities or on securities indices, sell ("write") covered call and put options on individual securities or on securities indices, enter into futures contracts based on appropriate financial instruments or securities indices and purchase and write options on such futures contracts (collectively referred to as "Hedging Instruments"). The Fund will limit margin

deposits and premiums paid in connection with the activities described in the preceding sentence to 5% of its total assets.

Securities of Foreign Governments and Companies. The Fund may invest in securities issued or guaranteed by foreign companies, and debt securities of foreign governments or their agencies. These foreign securities may include debt obligations such as government bonds, debentures issued by companies, as well as notes. Some of these debt securities may have variable interest rates or "floating" interest rates that change in different market conditions. Those changes will affect the income the Fund receives. These securities are described in more detail in the Statement of Additional Information.

The Fund is not restricted in the amount of its assets it may invest in foreign countries or in which countries. However, if the Fund's assets are held abroad, the countries in which they are held and the sub-custodians holding them must be approved by the Fund's Board of Trustees.

The Fund may buy or sell foreign currencies and foreign currency forward contracts (agreements to exchange one currency for another at a future date) to hedge currency risks and to facilitate transactions in foreign investments. Although currency forward contracts can be used to protect the Fund from adverse exchange rate changes, there is a risk of loss if the Manager fails to predict currency exchange movements correctly.

- Risks of Foreign Securities. Investing in foreign securities, especially those issued in underdeveloped countries, generally involves special risks. For example, foreign issuers are not subject to the same accounting and disclosure requirements that U.S. companies are subject to. The value of foreign investments may be affected by changes in foreign currency rates, exchange control regulations, expropriation or nationalization of a company's assets, foreign taxes, delays in settlement of transactions, changes in governmental economic or monetary policy in the U.S. or abroad, or other political and economic factors. If the Fund distributes more income during a period than it earns because of unfavorable currency exchange rates, those dividends may later have to be considered a return of capital. More information about the risks and potential rewards of foreign securities is contained in the Statement of Additional Information.

- Can the Fund's Investment Objective and Policies Change? The Fund has an investment objective, which is described above, as well as investment policies that it follows to try to achieve its objective. Additionally, it uses certain investment techniques and strategies in carrying out those policies. The Fund's investment policies and practices are not "fundamental" unless a particular policy is identified in this Prospectus as "fundamental."

Fundamental policies are those that cannot be changed without the

approval of a "majority" of the Fund's outstanding voting shares. The term "majority" is defined in the Investment Company Act to be a particular level of shareholder approval (and this term is explained in the Statement of Additional Information). The Fund's investment objective is a "fundamental policy." The Fund's Board of Trustees may change non-fundamental policies, strategies and techniques without shareholder approval, although significant changes will be described in amendments to this Prospectus.

Other Investment Techniques and Strategies. The Fund may also use the investment techniques and strategies described below, which involve certain risks. The Statement of Additional Information contains more detailed information about these practices, including limitations designed to reduce some of the risks. For more information, please refer to the description of these techniques under the same headings in "Other Investment Techniques and Strategies" in the Statement of Additional Information.

- Options on Securities. The Fund may write covered call options that are traded on United States and foreign securities exchanges ("exchange traded") or over-the-counter, each in accordance with its investment objective and policies. A call option is an agreement, for a premium received by the Fund, that requires the Fund to sell a particular security at a specified price if the option is exercised during the option period. A call option is "covered" when the Fund owns the underlying security covered by the option or has an absolute and immediate right to acquire that security without additional cash consideration (or for additional cash consideration held in a segregated account by the Custodian) upon conversion or exchange of other securities held by it.

The Fund may also write exchange-traded or over-the-counter covered put options, each in accordance with its investment objective and policies. A put option is an agreement, for a premium received by the Fund, that requires the Fund to purchase specified securities at a specified price if the option is exercised during the option period. A put option is "covered" when the Fund's obligation is secured by a deposit in a separate account of U.S. Treasury obligations or cash equal in value to the exercise price of the put option.

The Fund may purchase exchange-traded or over-the-counter call options on any securities in which it may invest in anticipation of an increase in the market value of such securities. The Fund would ordinarily have a gain if the value of the securities increased during the option period above the exercise price sufficiently to cover the premium and would have a loss if the value of the securities remained below the sum of the premium and the exercise price during the option period.

The Fund may purchase exchange-traded or over-the-counter put options on any securities in which it may invest in anticipation of a decline in the market value of such securities. The Fund may purchase "protective

puts" in which the security to be sold may be identical or substantially identical to a security already held by the Fund or to a security which the Fund has the right to purchase. The Fund would ordinarily recognize a gain if the value of the securities decreased during the option period below the exercise price sufficiently to cover the premium and would recognize a loss if the value of the securities remained above the difference between the premium and the exercise price.

The Fund may also enter into "closing purchase transactions." In a closing purchase transaction, the Fund terminates its option position prior to the expiration of such option by purchasing or selling an option on the same security with the same exercise price and expiration date as the option previously written or purchased. These closing transactions enable the Fund immediately to realize gains or minimize losses on its options positions. See "Options on Securities" in the Statement of Additional Information for further details, including the risks to the Fund from options trading.

- Futures Contracts and Options on Futures Contracts. To attempt to protect against the effects of adverse changes in interest rates or market prices (a practice sometimes known as "hedging") and for other appropriate risk management purposes, the Fund may enter into contracts for the future delivery of securities, where the securities which underlie such contracts are permissible investments for the Fund, and index-based futures contracts which are appropriately correlated with the Fund's portfolio. Such futures contracts would obligate the Fund to make or take delivery of certain securities, or in the case of index-based futures contracts, to make or receive a cash settlement, upon expiration of the futures contract.

The Fund may purchase call and put options on futures contracts, which give the Fund the right to sell or assume a position in the underlying futures contract for a specified price at any time during the option period. The Fund may also write call and put options on futures contracts. When a Fund writes a call or put option on a futures contract, the Fund will receive a premium in return for granting to the purchaser the right to buy from the Fund or to sell to the Fund the underlying futures contract for a specified price at any time during the option period. The Fund may also engage in related closing transactions with respect to such options on futures contracts.

When interest rates are rising or market values are falling, the sale of futures contracts can offset a decline in the value of a Fund's current portfolio securities. When interest rates are falling or market values are rising, the purchase of futures contracts can secure better effective rates or prices for the Fund than might later be available in the market when the Fund makes anticipated purchases. The purpose of hedging using futures contracts or options is to establish more certainty than would otherwise be possible for the effective rate of return on portfolio securities. The Fund will engage in transactions in futures contracts only in an effort to protect against a decline in the value of its

securities or an increase in the price of securities that it intends to acquire. The Fund will enter into futures contracts on securities or on securities indexes for defensive purposes only to provide a hedge against fluctuations in the market and not for the purpose of engaging in speculative trading practices. The initial margin deposits for futures contracts and premiums paid for related options may not exceed 5% of the value of the Fund's total assets. The Fund will incur brokerage costs in connection with its futures transactions and will be required to segregate assets to cover contracts or options which would require it to purchase securities. See "Futures Contracts and Options on Futures Contracts" in the Statement of Additional Information for further details, including the risks to the Fund from futures trading.

- Illiquid and Restricted Securities. Under the supervision of the Fund's Board of Trustees, the Manager determines the liquidity of the Fund's investments. Investments may be illiquid because of the absence of a trading market, making it difficult to value them or dispose of them promptly at an acceptable price. A restricted security is one that has a contractual restriction on resale or cannot be sold publicly until it is registered under the Securities Act of 1933. The Fund will not invest more than 10% of its net assets in illiquid or restricted securities (that limit may increase to 15% if certain state laws are changed or the Fund's shares are no longer sold in those states). Certain restricted securities, eligible for resale to qualified institutional purchasers, are not subject to that limit.

- Loans of Portfolio Securities. The Fund may lend its portfolio securities amounting to not more than 25% of its total assets to brokers, dealers and other financial institutions, subject to certain conditions described in the Statement of Additional Information. The Fund presently does not intend to lend its portfolio securities, but if it does, the value of securities loaned is not expected to exceed 5% of the value of its total assets.

- Repurchase Agreements. The Fund may enter into repurchase agreements. There is no limit on the amount of the Fund's net assets that may be subject to repurchase agreements of seven days or less. Repurchase agreements must be fully collateralized. However, if the vendor fails to pay the re-sale price on the delivery date, the Fund may experience costs in disposing of the collateral and losses if there is any delay in doing so.

- Forward Commitments. The Fund may enter into contracts to purchase securities for a fixed price at a specified future date beyond customary settlement time ("forward commitments"). Forward commitments involve a risk of loss if the value of the security to be purchased declines prior to the settlement date, which risk is in addition to the risk of decline in value of the Fund's other assets. The Fund may realize short-term gains or losses upon the sale of forward commitments.

- "When-Issued" and Delayed Delivery Transactions. The Fund may

purchase securities on a "when-issued" basis and may purchase or sell securities on a "delayed delivery" basis. These terms refer to securities that have been created and for which a market exists, but which are not available for immediate delivery. There may be a risk of loss to the Fund if the value of the security declines prior to the settlement date.

- Portfolio Turnover. The length of time the Fund has held a security is not generally a consideration in investment decisions. A change in the securities held by the Fund is known as "portfolio turnover." As a result of the Fund's investment policies and market factors, the Fund will trade its portfolio actively if, in the Sub-Adviser's judgement, such transactions are advisable in light of the circumstances of a particular company or within a particular industry or in light of market, economic or financial conditions. This strategy may involve greater transaction costs from brokerage commissions and dealer mark-ups. Additionally, high portfolio turnover may result in increased short-term capital gains and affect the ability of the Fund to qualify for tax deductions for payments made to shareholders as a "regulated investment company" under the Internal Revenue Code. The Fund qualified in its last fiscal year and intends to do so in the coming year, although it reserves the right not to qualify.

Other Investment Restrictions. The Fund has other investment restrictions which, together with its investment objective, are "fundamental" policies, that is, subject to change only by approval of a majority of shareholders.

Under some of those restrictions, the Fund cannot: (1) make short sales except for sales "against the box"; (2) borrow money or enter into reverse repurchase agreements, except that the Fund may borrow money from banks and enter into reverse repurchase agreements as a temporary measure for extraordinary or emergency purposes (but not for the purpose of making investments), provided that the aggregate amount of all such borrowings and commitments under such agreements does not, at the time of borrowing or of entering into such an agreement, exceed 10% of the Fund's total assets taken at current market value; the Fund will not purchase additional portfolio securities at any time that the aggregate amount of its borrowings and its commitments under reverse repurchase agreements exceeds 5% of the Fund's net assets (for purposes of this restriction, entering into portfolio lending agreements shall not be deemed to constitute borrowing money); (3) concentrate its investments in any particular industry except that it may invest up to 25% of the value of its total assets in the securities of issuers of any one industry (of the utility companies, gas, electric, water and telephone will each be considered as a separate industry); and (4) buy securities issued or guaranteed by any one issuer (except the U.S. Government or any of its agencies or instrumentalities) if with respect to 75% of its total assets (a) more than 5% of the Fund's total assets would be invested in the securities of such issuer, or (b) the Fund would own more than 10% of that issuer's voting securities.

All of the percentage limitations described above and elsewhere in this Prospectus apply to the Fund only at the time of purchasing a security, and the Fund need not dispose of a security merely because the Fund's assets have changed or the security has increased in value relative to the size of the Fund. There are other fundamental policies discussed in "Additional Investment Restrictions" the Statement of Additional Information, along with more information about the Fund's non-fundamental investment policies and strategies.

How the Fund is Managed

Organization and History. Oppenheimer Integrity Funds (the "Trust") was organized in 1982 as a multi-series Massachusetts business trust and the Fund is a series of that Trust. That Trust is an open-end, diversified management investment company, with an unlimited number of authorized shares of beneficial interest. Each of the two series of the Trust is a fund that issues its own shares, has its own investment portfolio, and its own assets and liabilities.

The Board of Trustees has the power, without shareholder approval, to divide unissued shares of this Fund into two or more classes, each having its own dividends, distributions and expenses. Each class may have a different net asset value. The Board has done so, and the Fund currently has two classes of shares, Class A and Class B. Each share has one vote at shareholder meetings, with fractional shares voting proportionally. Only shares of a class vote together on matters that affect that class alone. Shares are freely transferrable.

The Fund is governed by a Board of Trustees, which is responsible for protecting the interests of shareholders under Massachusetts law. The Trustees meet throughout the year to oversee the Fund's activities, review 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 meetings from time to time on important matters, and shareholders have the right to call a meeting to remove Trustees or to take other action described in the Declaration of Trust.

The Manager and its Affiliates. Since March 28, 1991, the Fund is managed by the Manager, which handles its day-to-day business. The Manager has entered into a contract with Massachusetts Mutual Life Insurance Company ("MassMutual") to act as the Fund's Sub-Adviser. On January 1, 1993, MassMutual delegated to Concert Capital Management, Inc. ("Concert Capital"), an indirect wholly-owned subsidiary of MassMutual, its duties to manage the investment of the Fund's assets, and on April 23, 1993, Concert Capital became the Fund's Sub-Advisor. The Sub-Advisor is responsible for choosing the Fund's investments. 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 and its fees, and describes the expenses that the Fund

pays to conduct its business.

The Manager has operated as an investment adviser since 1959. The Manager and its affiliates currently manage investment companies, including other OppenheimerFunds, with assets of more than \$26 billion as of December 31, 1993, and with more than 1.8 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 MassMutual. The Sub-Adviser was created by MassMutual in 1982 and is provided business services by it. The Sub-Adviser and MassMutual advise investment companies and institutional clients.

- Portfolio Manager. The Portfolio Manager of the Fund (who is also a Vice President of the Fund) is David B. Salerno, a Managing Director of the Sub-Adviser. He has been responsible for the day-to-day management of the Fund's portfolio since March, 1991. Mr. Salerno also serves as a Senior Vice President of MML Series Investment Fund.

- 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: 0.75% of the first \$100 million of the Fund's average annual net assets, 0.72% of the next \$200 million, 0.69% of the next \$200 million, and 0.66% of net assets in excess of \$500 million. The Fund's management fee for its last fiscal year was _____% of average annual net assets for Class A shares and _____% for Class B shares.

Under the Sub-Advisory Agreement, the Manager pays the Sub-Advisor the following annual fees, which decline on additional assets as the Fund grows: 0.40% of the first \$50 million of the Fund's average annual net assets and 0.20% of net assets in excess of \$50 million.

The Fund pays expenses related to its daily operations, such as custodian 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 affect 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 portfolio transactions in "Brokerage Policies of the Fund" in the Statement of Additional Information. Because the Fund purchases most of its portfolio securities directly from the sellers and not through brokers, it therefore incurs relatively little expense for brokerage. From time to time it may use brokers when buying portfolio securities. When deciding which brokers to use in those cases, the investment advisory and sub-advisory agreements allows the Manager and the Sub-Adviser to consider whether brokers have sold shares of the Fund or any other funds for which the Manager or the Sub-Adviser or their affiliates exercise

investment discretion.

- The Distributor. The Fund's shares are sold through dealers or brokers that have a sales agreement with Oppenheimer Funds 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 "OppenheimerFunds") and is sub-distributor for funds managed by a subsidiary of the Manager.

- The Transfer Agent. The Fund's transfer agent is Oppenheimer Shareholder Services, a division of the Manager, which acts as the shareholder servicing agent for the Fund and the other OppenheimerFunds on an "at-cost" basis. Shareholders should direct inquiries to the Transfer Agent at the address and toll-free numbers shown elsewhere in this Prospectus or on the back cover.

Performance of the Fund

Explanation of Performance Terminology. The Fund uses certain terms to illustrate its performance. These terms are used to show the performance of each class of shares 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 in advertisements about the Fund or in communications to shareholders. It 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 indices and other ways to compare the Fund's performance. The Fund's investment performance will vary, 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, 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, they reflect the payment of the maximum initial sales charge. Total returns may be quoted "at net asset value," without considering the effect of the sales charge,

and these returns would be reduced if sales charges were deducted. When total returns are shown for Class B shares, they reflect the effect of the contingent deferred sales charge that applies to the period for which total return is shown, or else they may be shown based just on the change in net asset value, without considering the effect of the contingent deferred sales charge.

How Has the Fund Performed? Below is a discussion by the Manager of the Fund's performance during its last fiscal year ended December 31, 1993, followed by a graphical comparison of the Fund's performance to an appropriate broad-based market index.

- Management's Discussion of Performance. Throughout most of 1993 the U.S. economy continued to grow slowly and interest rates declined steadily. In that environment, the Manager identified opportunities for growth by investing in high-quality companies that were in the process of restructuring their operations to focus on core businesses. The Fund has realized substantial gains from its investments in value stocks -- stocks whose prices have dropped below their perceived normal valuations and holding them until the Manager believes they have fully realized their true value.

- Comparing the Fund's Performance to the Market. The chart below shows the performance of a hypothetical \$10,000 investment in each Class of shares of the Fund from the inception of the Class held through December 31, 1993, with all dividends and capital gains distributions reinvested in additional shares. The graph reflects the deduction of the 5.75% maximum initial sales charge on Class A shares and the maximum 5% contingent deferred sales charge for Class B shares.

Because the Fund invests in equity securities of well established companies, the Fund's performance is compared to the performance of the S&P 500 Index, an unmanaged index of 500 widely-held common stocks traded on the New York and American Stock Exchanges and the over-the-counter market, it is widely recognized as a general measure of stock market performance. It includes a factor for reinvestment of dividends but does not reflect expenses or taxes. Index performance reflects reinvestment of income but not capital gains or transaction costs, and none of the data below shows the effect of taxes. While index comparisons may be useful to provide a benchmark for the Fund's performance, it must be noted that the Fund's investments are not limited to the securities in any one index and the index data does not reflect any assessment of the risk of the investments included in the index.

Oppenheimer Value Stock Fund
Comparison of Change in Value
of \$10,000 Hypothetical Investment to
S&P 500 Index

(Graph)

Past Performance is not predictive of future performance.

Oppenheimer Value Stock Fund
Average Annual Total Return at 12/31/93

	1 Year	Life*
Class A:	_____ %	9.92%
Class B:	Cumulative Total	
	Return at 12/31/93	-0.366%**

* The Fund (Class A shares) began operations on 12/22/86

** Class B shares of the Fund first publicly offered on 5/3/93

YOUR INVESTMENT ACCOUNT

How to Buy Shares

The Fund offers investors two 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). If you purchase Class A shares as part of an investment of at least \$1 million in shares of one or more OppenheimerFunds, and you sell any of those shares within 18 months after your purchase, you will pay a contingent deferred sales charge, which will vary depending on the amount you invested.

- 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, you will normally pay a contingent deferred sales charge that varies depending on how long you own your shares.

- 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 advisors:

- How much do you plan to invest? If you plan to invest a substantial amount, the reduced sales charges available for larger purchases of Class A shares may be more beneficial to you, and for purchases over \$1 million, the contingent deferred sales charge on Class A shares may be more beneficial. The Distributor will not accept any order for \$1 million or more for Class B shares on behalf of a single investor for that reason.

- How long do you expect to hold your investment? While future financial needs cannot be predicted with certainty, investors who prefer not to pay an initial sales charge and who plan to hold their shares for

more than 6 years might consider Class B shares. Investors who plan to redeem shares within 7 years might prefer Class A shares.

- Are there differences in account features that matter to you? Because some account features may not be available for Class B shareholders, such as checkwriting, you should carefully review how you plan to use your investment account before deciding which class of shares is better for you. Additionally, the dividends payable to Class B shareholders will be reduced by the additional expenses borne solely by that class, such as the asset-based sales charge to which Class B shares are subject, as described below and in the Statement of Additional Information.

- How does it affect payments to my broker? A salesperson 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 contingent deferred sales charge and asset-based sales charge for Class B shares is the same as the purpose of the front-end sales charge on sales of Class A shares.

- How Much Must You Invest? You can open a Fund account with a minimum initial investment of \$1,000 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 OppenheimerFunds (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 OppenheimerFunds AccountLink service. When you buy shares, be sure to specify Class A or Class B 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 OppenheimerFunds New Account Application and return it with a check payable to "Oppenheimer Funds 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.

- 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 House (ACH) member, to transmit funds electronically to purchase shares, to send redemption proceeds, and to transmit dividends and distributions. Shares are purchased for your account 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 must request AccountLink privileges on the application or dealer settlement instructions used to establish your account. Please refer to "AccountLink," below for more details.

Shares are sold at the public offering price based on the net asset value that is next determined after the Distributor receives the purchase order in Denver. In most cases, to receive that day's offering price, the Distributor must receive your order by 4:00 P.M., New York time (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 4:00 P.M., 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.

- Asset Builder Plans. You may purchase shares of the Fund (and up to four other OppenheimerFunds) 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.

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, where purchases are not subject to an initial sales charge, the offering price may be net asset value. In some cases, reduced sales charges may be available, as described below. When you invest, the Fund receives the net asset value for your account. The sales charge varies depending on the amount of your purchase and a portion 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:

<TABLE>
<CAPTION>

Amount of Purchase	Front-End Sales Charge as Percentage of Offering Price	Front-End Sales Charge as Approximate Percentage of Amount Invested	Commission as Percentage of Offering Price
<S>	<C>	<C>	<C>
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 OppenheimerFunds aggregating \$1 million or more. However, the Distributor pays dealers of record commissions on such 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 share purchases over \$5 million. However, that commission will be paid only on the amount of those purchases in excess of \$1 million 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") will be deducted from the redemption proceeds. That sales charge will be equal to 1.0% of the aggregate net asset value of either (1) 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 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.

- 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. From time to time, the Distributor may make special arrangements with dealers and make additional payments if the dealer meets specified sales criteria and other requirements. Dealers whose sales of OppenheimerFunds (other than money market funds) under OppenheimerFunds-sponsored 403(b) 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. The Distributor may sponsor an annual sales conference to which a dealer firm is eligible to send, with a guest, a registered representative who sells more than \$2.5 million of Class A shares of OppenheimerFunds (other than money market funds) in a calendar year, or the dealer may, at its option, receive the equivalent cash value of that award as additional commission.

- 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. You and your spouse can cumulate Class A shares you purchase for your own accounts, or jointly, or on behalf of your children who are minors, under trust or custodial accounts. A fiduciary can cumulate 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 cumulate current purchases of Class A shares of the Fund and other OppenheimerFunds with Class A shares of OppenheimerFunds you previously purchased subject to a sales charge, 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 Transfer Agent. 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 A shares of the Fund and other OppenheimerFunds during a 13-month period at the reduced sales charge rate that applies to the aggregate amount of the intended purchases, including 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. No sales charge is imposed on sales of Class A shares to the following persons: (1) the Manager or its affiliates; (2) 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; (3) registered management investment companies, or separate accounts of insurance companies having an agreement with the Manager or the Distributor for that purpose; (4) 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; (5) employees (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); (6) 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.

Additionally, no sales charge is imposed on shares that are (a) issued in plans of reorganization, such as mergers, asset acquisitions and exchange offers, to which the Fund is a party or (b) purchased by the reinvestment of loan repayments by a participant in a retirement plan for which the Manager or its affiliates acts as sponsor, or (c) purchased by the reinvestment of dividends or other distributions reinvested from the Fund or other OppenheimerFunds (other than the Cash Reserves Funds) or unit investment trusts for which reinvestment arrangements have been made with the Distributor. There is a further discussion of this policy in "Reduced Sales Charges" in the Statement of Additional Information.

The Class A contingent deferred sales charge is also waived if shares are redeemed in the following cases: (1) retirement distributions or loans to participants or beneficiaries from qualified retirement plans, deferred compensation plans or other employee benefit plans ("Retirement Plans"), (2) returns of excess contributions made to Retirement Plans, (3)

Automatic Withdrawal Plan payments that are limited to no more than 12% of the original account value annually, and (4) involuntary redemptions of shares by operation of law or under the procedures set forth in the Fund's Declaration of Trust or adopted by the Board of Trustees.

- 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 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.

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 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 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.

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 Purchase Payment Was Made	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.

- Waivers of Class B Sales Charge. The Class B contingent deferred sales charge will be waived if the shareholder requests it for any of the following redemptions: (1) 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; (2) redemptions from accounts other than Retirement Plans following the death or disability of the shareholder (as evidenced by a determination of disability by the Social Security Administration), and (3) returns of excess contributions to Retirement Plans.

The contingent deferred sales charge is also waived on Class B shares in the following cases: (i) shares sold to the Manager or its affiliates; (ii) 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; (iii) shares issued in plans of reorganization to which the Fund is a party; and (iv) shares redeemed in involuntary redemptions as described above. Further details about this policy are contained in "Reduced Sales Charges" in the Statement of Additional Information.

- 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 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 and Class B Shares" in the Statement of Additional Information.

- Distribution and Service Plan for Class B Shares. The Fund has adopted a Distribution and Service Plan for Class B shares to compensate the Distributor for its services and costs in distributing Class B shares and servicing accounts. Under the Plan, 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. The Distributor also receives a service fee of 0.25% per year. Both fees are computed on the average annual net assets of Class B shares, determined as of the close of each regular business day. The asset-based sales charge allows investors to buy Class B shares without a front-end sales charge while allowing the Distributor to compensate dealers that sell Class B shares.

The Distributor uses the service fee to compensate dealers for providing personal service for accounts that hold Class B shares. Those services are similar to those provided under the Class A Service Plan, described above. The asset-based sales charge and service fees increase Class B expenses by up to 1.00% of average net assets per year.

The Distributor pays the 0.25% service fee to dealers in advance for the first year after Class B shares have been sold by the dealer. After the shares have been held for a year, the Distributor pays the fee on a quarterly basis. The Distributor pays sales commissions of 3.75% of the purchase price to dealers from its own resources at the time of sale. The Distributor retains the asset-based sales charge to recoup the sales commissions it pays, the advances of service fee payments it makes, and its financing costs.

If the Plan is terminated by the Fund, it provides for continuing payments of the asset-based sales charge to the Distributor for certain expenses already incurred. The accounting treatment for the Fund's obligation under the Plan for those future payments is discussed in "Distribution and Service Plans" in the Statement of Additional Information. The accounting standards now used are currently under review by the American Institute of Certified Public Accountants, and it is possible that those standards will change and that the Fund's Class B Plan would be changed as a result. At December 31, 1993, the end of the 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.

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, including 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 OppenheimerFunds account you have already established by calling the special PhoneLink number. Please refer to "Exchange Privilege," 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 OppenheimerFunds on a monthly, quarterly, semi-annual or annual basis under an Automatic Exchange Plan. The minimum purchase for each other 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 Fund shares, you have up to 6 months to reinvest all or part of the redemption proceeds in Class A shares of the Fund or other OppenheimerFunds without paying sales charge. This privilege applies to Class A shares that you sell, and Class B shares on which you paid a contingent deferred sales charge when you redeemed them. 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 and SAR-SEPs (Simplified Employee Pension Plans) for small business owners or people with income from self-employment

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

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.

- 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 may be required to 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.

- 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 or medallion 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 check is not payable to all shareholders listed on the account statement
 - The check is not sent to the address of record on your 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 from a foreign bank that has a U.S. correspondent bank, or from a U.S. registered dealer or broker in securities, municipal securities or government securities, or from a U.S. national securities exchange, a registered securities association or a clearing agency. If you are signing as a fiduciary or on behalf of a corporation, partnership or other business, 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 statement)
- The dollar amount or number of shares to be redeemed

- Any special payment instructions
- Any share certificates for the shares you are selling, 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: Send courier or Express Mail requests to:

Oppenheimer Shareholder Services	Oppenheimer Shareholder Services
P.O. Box 5270, Denver, Colorado 80217	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 4:00 P.M. You may not redeem shares held in an OppenheimerFunds retirement plan or under a share certificate 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

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

- Telephone Redemptions Paid by Check. Up to \$50,000 may be redeemed by telephone, once in each 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.

How to Exchange Shares

Shares of the Fund may be exchanged for shares of certain OppenheimerFunds at net asset value per share at the time of exchange, without sales charge. A \$5 service fee will be deducted from the fund account you are exchanging into to help defray administrative costs. That

charge is waived for automated exchanges on PhoneLink described below. To exchange shares, you must meet several conditions:

- 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
- 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 OppenheimerFunds. For example, you can exchange Class A shares of this Fund only for Class A shares of another fund. At present, not all of the OppenheimerFunds offer the same two classes of 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. In some cases, sales charges may be imposed on exchange transactions. Certain OppenheimerFunds offer Class A, Class B and/or Class C shares, and a list can be obtained by calling the Distributor at 1-800-525-7048. Please refer to the Statement of Additional Information for more details about this policy.

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 names and address. Shares held under certificates may not be exchanged by telephone.

You can obtain a list of eligible OppenheimerFunds in the Statement of Additional Information or by calling the Transfer Agent 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 by 4:00

P.M. that is in proper form, but either fund may delay the purchase of shares of the fund you are exchanging into 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.

Shareholder Account Rules and Policies

- Net Asset Value Per Share is determined for each class of shares as of 4:00 P.M. each day The New York Stock 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, short-term 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 it will not 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 and Class B 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. 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 15 days from the date the shares were purchased. That delay may be avoided if you arrange with your bank to 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 \$1,000 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 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 taxpayer identification number when you sign your application, or if you violate Internal Revenue Service regulations on tax reporting of dividends.

- 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 charges when redeeming certain Class A and Class B shares.

Dividends, Capital Gains and Taxes

Dividends. The Fund intends to declare dividends separately for Class A and Class B shares from net investment income and pay such dividends to shareholders quarterly. It is expected that distributions paid with respect to Class A shares will generally be higher than for Class B shares because expenses allocable to Class B shares will generally be higher.

Capital Gains. The Fund may make distributions annually in December out of any net short-term or long-term capital gains, and the Fund may make supplemental distributions of dividends and capital gains following the end of its fiscal year. Long-term capital gains will be separately identified in the tax information the Fund sends you after the end of the year. Short-term capital gains are treated as dividends.

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 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. 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, you will pay the full price for the shares and then receive a portion of the price back as a taxable dividend.
- 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: If distributions made by the Fund must be recharacterized at the end of a fiscal year because of the Fund's investment policies (for example, due to losses on foreign currency exchange), shareholders may have a non-taxable return of capital. This will be identified in notices to shareholders.

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 advisor about the effect of an investment in the Fund on your particular tax situation.

APPENDIX TO PROSPECTUS OF OPPENHEIMER VALUE STOCK FUND

Graphic material included in Prospectus of Oppenheimer Value Stock Fund: "Comparison of Total Return of Oppenheimer Value Stock Fund with the S&P 500 Index - Change in Value of a \$10,000 Hypothetical Investment"

A linear graph will be included in the Prospectus of Oppenheimer Value Stock Fund (the "Fund") depicting the initial account value and subsequent account value of a hypothetical \$10,000 investment in the Fund during each of the Fund's fiscal years since December 31, 1984 to the end of each of the Fund's most recently completed ten fiscal years (as to Class A shares) and since May 3, 1993 (as to Class B shares) and comparing such values with the same investments over the same time periods with the S&P 500 Index. Set forth below are the relevant data points that will appear on the linear graph. Additional information with respect to the foregoing, including a description of the S&P Index, is set forth in the Prospectus under "Fund Performance Information - Management's Discussion of Performance."

Fiscal Year (Period) Ended	Oppenheimer Value Stock	
	Fund A	S&P 500 Index
12/22/86	\$ 9,425	\$10,000
12/31/86	9,258	9,936
12/31/87	9,360	10,458
12/31/88	10,820	12,189
12/31/89	13,193	16,045
12/31/90	12,991	15,546
12/31/91	16,268	20,272
12/31/92	17,831	21,815
12/31/93	19,430	24,009

Fiscal Year (Period) Ended	Oppenheimer Value Stock	
	Fund B(1)	S&P 500 Index
5/1/93	\$10,000	\$10,000
12/31/93	9,963	10,525

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(1) Class B shares of the Fund were first publicly offered on May 3, 1993.

Oppenheimer Value Stock Fund
 3410 South Galena Street, Denver, CO 80231
 Telephone: 1-800-525-7048

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

Sub-Adviser
 Concert Capital Management, Inc.
 125 High Street
 Boston, Massachusetts 02110

Prospectus

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

OPPENHEIMER
 Value Stock Fund

Transfer and Shareholder Servicing Agent
 Oppenheimer Shareholder Services

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

Custodian of Portfolio Securities
1994

Dated April 29,

The Bank of New York
One Wall Street
New York, New York 10015

Independent Auditors
Deloitte & Touche
1560 Broadway
Denver, Colorado 80202

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

(OppenheimerFunds Logo)

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

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Concert Capital Management, Inc.
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Boston, Massachusetts 02110

Prospectus and
New Account Application

Distributor
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STATEMENT OF ADDITIONAL INFORMATION

OPPENHEIMER VALUE STOCK FUND
3410 South Galena Street, Denver, Colorado 80231
1-800-525-7048

This Statement of Additional Information is not a Prospectus. This Statement of Additional Information contains more complete information

about the investment policies and the account features of Oppenheimer Value Stock Fund (the "Fund") described in the Fund's Prospectus dated May 1, 1994, and should be read together with the Prospectus. A copy of the Prospectus may be obtained by writing to Oppenheimer Shareholder Services ("the Transfer Agent"), P.O. Box 5270, Denver, Colorado 80217 or by calling the Transfer Agent at the toll-free number shown above.

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The date of this Additional Statement is May 1, 1994.

GENERAL INFORMATION

Oppenheimer Value Stock Fund (the "Fund") is one of two series of Oppenheimer Integrity Funds (the "Trust"). This Statement of Additional Information may be used with the Fund's Prospectus only to offer shares of the Fund.

The Trust was established in 1982 as MassMutual Liquid Assets Trust and changed its name to MassMutual Integrity Funds on April 15, 1988. The Fund was established as a separate Massachusetts business trust known as MassMutual Equity Investors Trust in 1986 and was reorganized as a series of the Trust on April 15, 1988. On March 29, 1991, the Trust changed its name from MassMutual Integrity Funds to Oppenheimer Integrity Funds and the Fund changed its name from MassMutual Value Stock Fund to Oppenheimer Value Stock Fund.

INVESTMENT OBJECTIVE AND POLICIES

The investment objective and policies of the Fund are discussed in the Prospectus. Set forth below is supplemental information about those policies. Certain capitalized terms used in this Statement of Additional Information have the same meaning as those terms have in the Prospectus.

The U.S. government obligations in which the Fund may invest as described in the Prospectus include U.S. Treasury bills, notes and bonds which are direct obligations of the U.S. government and debt obligations issued, assumed, guaranteed or sponsored by agencies or instrumentalities established under the authority of an Act of Congress, or obligations secured by such securities.

The Fund may invest up to 5% of the value of its assets in warrants in an effort to build a position in the underlying common stocks and, of such 5%, no more than 2% may be invested in warrants that are not listed on the New York Stock Exchange or the American Stock Exchange. A warrant typically gives the holder the right to purchase underlying stock at a specified price for a designated period of time. Warrants may be a relatively volatile investment. The holder of a warrant takes the risk that the market price of the underlying stock may never equal or exceed the exercise price of the warrant. A warrant will expire without value if it is not exercised or sold during its exercise period.

OTHER INVESTMENT TECHNIQUES AND STRATEGIES

Options on Securities. Special risks are associated with options that are not traded on exchanges (i.e., those that are traded over-the-counter). Closing transactions in over-the-counter options are effected directly with a particular broker-dealer, rather than with an anonymous third party on an exchange. Unlike closing transactions effected on an exchange, a closing transaction of an over-the-counter option will not actually extinguish the original option unless both the original option transaction and the closing transaction are effected with the same broker-dealer. Therefore, in an over-the-counter option transaction, the Fund bears the risk that the broker-dealer effecting the closing transaction will fail to meet its obligations. Also, in some circumstances, the Fund may not be able to close an over-the-counter option. The Fund might then have to exercise the option, and bear transaction costs on the exercise, to realize any benefit from the option. If the Fund writes an over-the-counter call option that it cannot close, it will have to retain the underlying security until the option expires or is exercised. This would limit the Fund's ability to realize a gain or avoid a loss if the value of the underlying security changes while the option is still outstanding. Also, over-the-counter options are not subject to the protections afforded by the Options Clearing Corporation to purchasers of exchange-traded options.

The staff of the Division of Investment Management of the Securities and Exchange Commission (the "SEC") has taken the position that the premiums that a fund pays for the purchase of over-the-counter options,

and the value of securities used to cover over-the-counter options written by a fund, are illiquid securities. Accordingly, the Fund intends to enter into over-the-counter options transactions only with primary dealers in U.S. Government Securities and only pursuant to agreements that will assure that the Fund will at all times have the right to repurchase the option written by it from the dealer at a specified formula price.

The Fund will treat the amount by which such formula price exceeds the intrinsic value of the option (i.e., the amount, if any, by which the market price of the underlying security exceeds the exercise price of the option) as an illiquid investment. It is the present policy of the Trust not to enter into any over-the-counter option transaction if, as a result, more than 15% of its net assets would be invested in (i) illiquid investments (determined under the foregoing formula) relating to such over-the-counter options written by the Fund, (ii) such over-the-counter options purchased by the Fund, (iii) securities which are not readily marketable, and (iv) repurchase agreements maturing in more than seven days.

The Trustees have adopted a non-fundamental policy that the Fund may write covered call options or write covered put options with respect to not more than 5% of the value of its net assets. Similarly, the Fund may only purchase call options and put options with a value of up to 5% of its net assets.

A fund's purpose in writing covered options is to realize greater income than would be realized on portfolio securities transactions alone. The writing of options involves certain risks. During the option period, the covered call writer has, in return for the premium on the option, given up the opportunity to profit from a price increase in the underlying securities above the exercise price, but, as long as its obligation as a writer continues, has retained the risk of loss should the price of the underlying security decline. A covered put writer assumes the risk that the market price for the underlying security will fall below the exercise price, in which case the writer could be required to purchase the security at a higher price than the then current market price of the security. In both cases, the writer has no control over the time when it may be required to fulfill its obligation as a writer of the option. Once an option writer has received an exercise notice, it cannot effect a closing purchase transaction in order to terminate its obligation under the option and must deliver or purchase the underlying securities at the exercise price. A fund may forego the benefits of appreciation on securities sold pursuant to call options or pay a higher price for securities acquired pursuant to put options.

Futures Contracts and Options on Futures Contracts. While futures will be traded to reduce certain risks, futures trading itself entails certain other risks. One risk arises due to the imperfect correlation between movements in the price of the futures contracts and movements in the price of the securities which are the subject of such contracts. In addition, the market price of futures contracts may be affected by certain

factors, such as the closing out of futures contracts by investors through offsetting transactions in order to avoid margin deposit and maintenance requirements, and the participation of speculators in the futures market. Another risk is that there may not be a liquid secondary market for a given futures contract or at a given time, and in such event it may not be possible for the Fund to close a futures position. Finally, successful use of futures contracts by the Fund is subject to the ability of the Fund's sub-adviser, Concert Capital Management, Inc. ("Concert Capital"), to predict correctly movements in the direction of interest rates and other factors affecting markets for securities. Thus, while the Fund may benefit from the use of such contracts, the operation of these risk factors may result in a poorer overall performance than if it had not entered into any futures contracts.

Positions taken in the futures markets are not normally held to maturity, but are instead liquidated through offsetting transactions which may result in a profit or a loss. While futures positions taken by the Fund will usually be liquidated in this manner, the Fund may instead make or take delivery of the underlying securities whenever it appears economically advantageous to do so.

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

When the Fund writes an over-the-counter ("OTC") option, it will enter into an arrangement with a primary U.S. Government securities dealer, which would establish a formula price at which the Fund would have the absolute right to repurchase that OTC option. That formula price would generally be based on a multiple of the premium received for the option, plus the amount by which the option is exercisable below the market price of the underlying security (that is, the extent to which the option "is in-the-money"). When the Fund writes an OTC option, it will treat as illiquid (for purposes of the limit on its assets that may be invested in illiquid securities, stated in the Prospectus) the mark-to-market value of any OTC option held by it. The Securities and Exchange Commission ("SEC") is evaluating whether OTC options should be considered liquid securities, and the procedure described above could be affected by the outcome of that evaluation.

Regulatory Aspects of Hedging Instruments. The Fund must operate within certain restrictions as to its long and short positions in Futures and options thereon under a rule (the "CFTC Rule") adopted by the

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

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

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

Certain foreign currency exchange contracts ("Forward Contracts") in which the Fund may invest are treated as "section 1256 contracts." Gains or losses relating to section 1256 contracts generally are characterized under the Internal Revenue Code as 60% long-term and 40% short-term capital gains or losses. However, foreign currency gains or losses arising from certain section 1256 contracts (including Forward Contracts)

generally are treated as ordinary income or loss. In addition, section 1256 contracts held by the Fund at the end of each taxable year are "marked-to-market" with the result that unrealized gains or losses are treated as through they were realized. These contracts also may be marked-to-market for purposes of the excise tax applicable to investment company distributions and for other purposes under rules prescribed pursuant to the Internal Revenue Code. An election can be made by the Fund to exempt these transactions from this mark-to-market treatment.

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

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

Possible Risk Factors in Hedging. In addition to the risks with respect to options discussed in the Prospectus and above, there is a risk in using short hedging by selling Futures to attempt to protect against decline in value of the Fund's portfolio securities (due to an increase in interest rates) that the prices of such Futures will correlate imperfectly with the behavior of the cash (i.e., market value) prices of the Fund's securities. The ordinary spreads between prices in the cash and futures markets are subject to distortions due to differences in the natures of those markets. First, all participants in the futures markets are subject to margin deposit and maintenance requirements. Rather than meeting additional margin deposit requirements, investors may close out futures contracts through offsetting transactions which could distort the normal relationship between the cash and futures markets. Second, the liquidity of the futures markets depend on participants entering into offsetting transactions rather than making or taking delivery. To the extent participants decide to make or take delivery, liquidity in the

futures markets could be reduced, thus producing distortion. Third, from the point of view of speculators, the deposit requirements in the futures markets are less onerous than margin requirements in the securities markets. Therefore, increased participation by speculators in the futures markets may cause temporary price distortions.

If the Fund uses Hedging Instruments to establish a position in the debt securities markets as a temporary substitute for the purchase of individual debt securities (long hedging) by buying Futures and/or calls on such Futures or on debt securities, it is possible that the market may decline; if the Fund then concludes not to invest in such securities at that time because of concerns as to possible further market decline or for other reasons, the Fund will realize a loss on the Hedging Instruments that is not offset by a reduction in the price of the debt securities purchased.

Repurchase Agreements. The Fund may acquire securities that are subject to repurchase agreements, in order to generate income while providing liquidity. In a repurchase transaction, the Fund acquires a security from, and simultaneously resells it to, an approved vendor (a U.S. commercial bank, U.S. branch of a foreign bank or a broker-dealer which has been designated a primary dealer in government securities, which must meet the credit requirements set by the Fund's Board of Trustees from time to time), for delivery on an agreed upon future date. The sale price exceeds the purchase price by an amount that reflects an agreed-upon interest rate effective for the period during which the repurchase agreement is in effect. The majority of these transactions run from day to day, and delivery pursuant to resale typically will occur within one to five days of the purchase. Repurchase agreements are considered "loans" under the Investment Company Act, collateralized by the underlying security. The Fund's repurchase agreements will require that at all times while the repurchase agreement is in effect, the collateral's value must equal or exceed the repurchase price to collateralize the loan fully. Additionally, the Manager will impose creditworthiness requirements to confirm that the vendor is financially sound and will continuously monitor the collateral's value. If the vendor of a repurchase agreement fails to pay the agreed-upon resale price on the delivery date, the Fund's risks in such event may include any costs of disposing of the collateral, and any loss from any delay in foreclosing on the collateral. Additionally, the Sub-Adviser will monitor the creditworthiness of the vendor.

Illiquid and Restricted Securities. The Fund will not purchase or otherwise acquire any security if, as a result, more than 10% of its net assets (taken at current value) would be invested in securities that are illiquid by virtue of the absence of a readily available market or because of legal or contractual restrictions on resale ("restricted securities"). As noted in the prospectus, that amount may, in the future, increase to 15%. This policy applies to participation interests, bank time deposits, master demand notes, repurchase transactions having a maturity beyond seven days, over-the-counter options held by the Fund and that portion of assets used to cover such options. This policy is not a fundamental

policy and does not limit purchases of restricted securities eligible for resale to qualified institutional purchasers pursuant to Rule 144A under the Securities Act of 1933 that are determined to be liquid by the Board of Trustees or by the Manager under Board-approved guidelines. Such guidelines take into account trading activity for such securities and the availability of reliable pricing information, among other factors. If there is a lack of trading interest in particular Rule 144A securities, the Fund's holdings of those securities may be illiquid. There may be undesirable delays in selling illiquid securities at prices representing their fair value. The expenses of registration of restricted securities that are subject to legal restrictions on resale (excluding securities that may be resold by the Fund pursuant to Rule 144A, as explained in the Prospectus) may be negotiated at the time such securities are purchased by the Fund. When registration is required, a considerable period may elapse between a decision to sell the securities and the time the Fund would be permitted to sell them. Thus, the Fund might not be able to obtain as favorable a price as that prevailing at the time of the decision to sell. The Fund also may acquire, through private placements, securities having contractual resale restrictions, which might lower the amount realizable upon the sale of such securities.

Loans of Portfolio Securities. The Fund may lend its portfolio securities (other than in repurchase transactions) to brokers, dealers and other financial institutions meeting certain credit standards if the loan is collateralized in accordance with applicable regulatory requirements. Under applicable regulatory requirements (which are subject to change), the loan collateral must, on each business day, at least equal the market value of the loaned securities and must consist of cash, bank letters of credit, U.S. Government Securities, or other cash equivalents in which the Fund is permitted to invest. To be acceptable as collateral, letters of credit must obligate a bank to pay amounts demanded by the Fund if the demand meets the terms of the letter. Such terms and the issuing bank must be satisfactory to the Fund. In a portfolio securities lending transaction, the Fund receives from the borrower an amount equal to the interest paid or the dividends declared on the loaned securities during the term of the loan as well as the interest on the collateral securities, less any finders' or administrative fees the Fund pays in arranging the loan. The Fund may share the interest it receives on the collateral securities with the borrower as long as it realizes at least a minimum amount of interest required by the lending guidelines established by its Board of Trustees. In connection with securities lending, the Fund might experience risks of delay in receiving additional collateral, or risks of delay in recovery of the securities, or loss of rights in the collateral should the borrower fail financially. The Fund will not lend its portfolio securities to any officer, trustee, employee or affiliate of the Fund, its Manager or Sub-Adviser. The terms of the Fund's loans must meet certain tests under the Internal Revenue Code and permit the Fund to reacquire loaned securities on five business days' notice or in time to vote on any important matter.

"When-Issued" and Delayed Delivery Transactions. The Fund may

purchase securities on a "when-issued" basis, and may purchase or sell such securities on a "delayed delivery" basis. Although the Fund will enter into such transactions for the purpose of acquiring securities for its portfolio or for delivery pursuant to options contracts it has entered into, the Fund may dispose of a commitment prior to settlement. "When-issued" or "delayed delivery" refers to securities whose terms and indenture are available and for which a market exists, but which are not available for immediate delivery. When such transactions are negotiated, the price (which is generally expressed in yield terms) is fixed at the time the commitment is made, but delivery and payment for the securities take place at a later date. The Fund does not intend to make such purchases for speculative purposes. Such securities may bear interest at a lower rate than longer-term securities. The commitment to purchase a security for which payment will be made on a future date may be deemed a separate security and involve a risk of loss if the value of the security declines prior to the settlement date. During the period between commitment by the Fund and settlement (generally within two months but not to exceed 120 days), no payment is made for the securities purchased by the purchaser, and no interest accrues to the purchaser from the transaction. Such securities are subject to market fluctuation; the value at delivery may be less than the purchase price. The Fund will maintain a segregated account with its Custodian, consisting of cash, U.S. Government securities or other high grade debt obligations at least equal to the value of purchase commitments until payment is made.

The Fund will engage in when-issued transactions in order to secure what is considered to be an advantageous price and yield at the time of entering into the obligation. When the Fund engages in when-issued or delayed delivery transactions, it relies on the buyer or seller, as the case may be, to consummate the transaction. Failure of the buyer or seller to do so may result in the Fund losing the opportunity to obtain a price and yield considered to be advantageous. At the time the Fund makes a commitment to purchase or sell a security on a when-issued or forward commitment basis, it records the transaction and reflects the value of the security purchased, or if a sale, the proceeds to be received, in determining its net asset value. If the Fund chooses to (i) dispose of the right to acquire a when-issued security prior to its acquisition or (ii) dispose of its right to deliver or receive against a forward commitment, it may incur a gain or loss.

To the extent the Fund engages in when-issued and delayed delivery transactions, it will do so for the purpose of acquiring or selling securities consistent with its investment objective and policies and not for the purposes of investment leverage. The Fund enters into such transactions only with the intention of actually receiving or delivering the securities, although (as noted above), when-issued securities and forward commitments may be sold prior to settlement date. In addition, changes in interest rates before settlement in a direction other than that expected by the Manager will affect the value of such securities and may cause a loss to the Fund.

When-issued transactions and forward commitments allow the Fund a technique to use against anticipated changes in interest rates and prices. For instance, in periods of rising interest rates and falling prices, the Fund might sell securities in its portfolio on a forward commitment basis to attempt to limit its exposure to anticipated falling prices. In periods of falling interest rates and rising prices, the Fund might sell portfolio securities and purchase the same or similar securities on a when-issued or forward commitment basis, thereby obtaining the benefit of currently higher cash yields.

Short Sales Against-the-Box. In such short sales, while the short position is open, the Fund must own an equal amount of such securities, or by virtue of ownership of securities have the right, without payment of further consideration, to obtain an equal amount of the securities sold short. Short sales against-the-box may be made to defer, for Federal income tax purposes, recognition of gain or loss on the sale of securities "in the box" until the short position is closed out.

Securities of Foreign Governments and Companies. As stated in the Prospectus, the Fund may invest in debt obligations and equity securities (which may be dominated in U.S. dollars or non-U.S. currencies) issued or guaranteed by foreign corporations, and debt obligations of certain "supranational entities" (described below) and foreign governments or their agencies or instrumentalities.

The percentage of the Fund's assets that will be allocated to foreign securities will vary depending on the relative yields of foreign and U.S. securities, the economies of foreign countries, the condition of such countries' financial markets, the interest rate climate of such countries and the relationship of such countries' currency to the U.S. dollar. These factors are judged on the basis of fundamental economic criteria (e.g., relative inflation levels and trends, growth rate forecasts, balance of payments status, and economic policies) as well as technical and political data.

Investments in foreign securities offer potential benefits not available from investments solely in securities of domestic issuers, by offering the opportunity to invest in foreign issuers that appear to offer growth potential, or in foreign countries with economic policies or business cycles different from those of the U.S., or to reduce fluctuations in portfolio value by taking advantage of foreign bond or other markets that do not move in a manner parallel to U.S. markets. From time to time, U.S. government policies have discouraged certain investments abroad by U.S. investors, through taxation or other restrictions, and it is possible that such restrictions could be reimposed.

Securities of foreign issuers that are represented by American depository receipts, or that are listed on a U.S. securities exchange, or are traded in the U.S. over-the-counter market are not considered "foreign securities," because they are not subject to many of the special

considerations and risks (discussed below) that apply to foreign securities traded and held abroad. If the Fund's portfolio securities are held abroad, the countries in which such securities may be held and the sub-custodians holding them must be approved by the Fund's Board of Trustees under applicable SEC rules.

Risks of Investing in Foreign Securities. Investment in foreign securities involves considerations and risks not associated with investment in securities of U.S. issuers. For example, foreign issuers are not required to use generally-accepted accounting principles ("G.A.A.P."). If foreign securities are not registered under the Securities Act of 1933, the issuer does not have to comply with the disclosure requirements of the Securities Exchange Act of 1934. The values of foreign securities investments will be affected by incomplete or inaccurate information available as to foreign issuers, changes in currency rates, exchange control regulations or currency blockage, expropriation or nationalization of assets, application of foreign tax laws (including withholding taxes), changes in governmental administration or economic or monetary policy in the U.S. or abroad, or changed circumstances in dealings between nations. In addition, it is generally more difficult to obtain court judgments outside the United States. The values of foreign securities will be affected by changes in currency rates or exchange control regulations or currency blockage, application of foreign tax laws, including withholding taxes, changes in governmental administration or economic or monetary policy (in the U.S. or abroad) or changed circumstances in dealings between nations. Costs will be incurred in connection with conversions between various currencies. Foreign brokerage commissions are generally higher than commissions in the U.S., and foreign securities markets may be less liquid, more volatile and less subject to governmental regulation than in the U.S. Investments in foreign countries could be affected by other factors not generally thought to be present in the U.S., including expropriation or nationalization, confiscatory taxation and potential difficulties in enforcing contractual obligations, and could be subject to extended settlement periods.

The obligations of foreign governmental entities may or may not be supported by the full faith and credit of a foreign government. Obligations of "supranational entities" include those of international organizations designated or supported by governmental entities to promote economic reconstruction or development and of international banking institutions and related government agencies. Examples include the International Bank for Reconstruction and Development (the "World Bank"), the European Coal and Steel Community, the Asian Development Bank and the Inter-American Development Bank. The governmental members, or "stockholders," usually make initial capital contributions to the supranational entity and in many cases are committed to make additional capital contributions if the supranational entity is unable to repay its borrowings. Each supranational entity's lending activities are limited to a percentage of its total capital (including "callable capital" contributed by members at the entity's call), reserves and net income. There is no assurance that foreign governments will be able or willing to

honor their commitments.

Because the Fund may purchase securities denominated in foreign currencies, a change in the value of any such currency against the U.S. dollar will result in a change in the U.S. dollar value of the Fund's assets and its income available for distribution. In addition, although a portion of the Fund's investment income may be received or realized in foreign currencies, the Fund will be required to compute and distribute its income in U.S. dollars, and absorb the cost of currency fluctuations.

The values of foreign investments and the investment income derived from them may also be affected unfavorably by changes in currency exchange control regulations. Although the Fund will invest only in securities denominated in foreign currencies that at the time of investment do not have significant government-imposed restrictions on conversion into U.S. dollars, there can be no assurance against subsequent imposition of currency controls. In addition, the values of foreign securities will fluctuate in response to a variety of factors, including changes in U.S. and foreign interest rates.

ADDITIONAL INVESTMENT RESTRICTIONS

The most significant investment restrictions that apply to the Fund are described in the Prospectus. There are additional investment restrictions that the Fund must follow that are fundamental policies of the Fund. Fundamental policies and the Fund's investment objective, described in the Prospectus, cannot be changed without the vote of a "majority" of the Fund's outstanding voting securities. Under the Investment Company Act, such a "majority" vote is defined as the vote of the holders of the lesser of (i) 67% or more of the shares present or represented by proxy at such meeting, if the holders of more than 50% of the outstanding shares are present, or (ii) more than 50% of the outstanding shares.

Under these additional restrictions, the Trust may not, on behalf of the Fund: (1) invest in oil, gas or other mineral leases, rights, royalty contracts or exploration or development programs, real estate or real estate mortgage loans (this restriction does not prevent the Fund from purchasing securities secured or issued by companies investing or dealing in real estate and by companies that are not principally engaged in the business of buying and selling such leases, rights, contracts or programs); (2) purchase commodities or commodity contracts except futures contracts, including but not limited to contracts for the future delivery of securities and futures contracts based on securities indexes; (3) make loans other than by investing in obligations in which the Fund may invest consistent with its investment objective and policies and other than repurchase agreements and loans of portfolio securities; (4) pledge, mortgage or hypothecate its assets, except that, to secure permitted borrowings, it may pledge securities having a market value at the time of the pledge not exceeding 15% of the cost of the Fund's total assets and

except in connection with permitted transactions in options, futures contracts and options on futures contracts, and except for reverse repurchase agreements and securities lending; (5) purchase or retain securities of any issuer if, to the knowledge of the Trust, more than 5% of such issuer's securities are beneficially owned by officers and trustees of the Trust or officers and directors of Massachusetts Mutual Life Insurance Company ("MassMutual") who individually beneficially own more than 1/2 of 1% of the securities of such issuer; and (6) make loans to an officer, trustee or employee of the Trust or to any officer, director or employee of MassMutual, or to MassMutual.

In addition to the investment restrictions described above and those contained in the Prospectus, the Trustees of the Trust have voluntarily adopted certain policies and restrictions which are observed in the conduct of the affairs of the Fund. These represent intentions of the Trustees based upon current circumstances. They differ from fundamental investment policies in that the following additional investment restrictions may be changed or amended by action of the Trustees without requiring prior notice to or approval of shareholders. In accordance with such nonfundamental policies and guidelines, the Fund may not: (1) invest for the purpose of exercising control over, or management of, any company; (2) purchase any security of a company which (including any predecessor, controlling person, general partner and guarantor) has a record of less than three years of continuous operations or relevant business experience, if such purchase would cause more than 5% of the current value of the Fund's assets to be invested in such companies; and (3) invest in securities of other investment companies, except by purchase in the open market where no commission or profit to a sponsor or dealer results from such purchase other than the customary broker's commission, except when such purchase is part of a plan of merger, consolidation, reorganization or acquisition.

TRUSTEES AND OFFICERS OF THE FUND

The Trust's Trustees and officers and their principal occupations and business affiliations during the past five years are set forth below. All of the Trustees are also trustees, directors or managing general partners of Oppenheimer Total Return Fund, Inc., Oppenheimer Equity Income Fund, Oppenheimer High Yield Fund, Oppenheimer Cash Reserves, Oppenheimer Tax-Exempt Cash Reserves, Oppenheimer Tax-Exempt Bond Fund, Oppenheimer Government Securities Fund, The New York Tax-Exempt Income Fund, Inc., Centennial America Fund, L.P., Oppenheimer Champion High Yield Fund, Oppenheimer Main Street Funds, Inc., Oppenheimer Strategic Funds Trust, Oppenheimer Strategic Income & Growth Fund, Oppenheimer Strategic Investment Grade Bond Fund, Oppenheimer Strategic Short-Term Income Fund and Oppenheimer Variable Account Funds; as well as the following "Centennial Funds": Daily Cash Accumulation Fund, Inc., Centennial Money Market Trust, Centennial Government Trust, Centennial New York Tax Exempt Trust, Centennial Tax Exempt Trust and Centennial California Tax Exempt Trust, (all of the foregoing funds are collectively referred to as the "Denver Oppenheimer Funds"). All of the Fund's officers except Messrs.

Steinmetz and Negri are officers of the Denver OppenheimerFunds. Mr. Fossel is President and Mr. Swain is Chairman of the Denver OppenheimerFunds. As of December 31, 1993, the Trustees and officers of the Fund as a group owned less than 1% of the Fund's outstanding shares.

ROBERT G. AVIS, Trustee*

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

WILLIAM A. BAKER, Trustee

197 Desert Lakes Drive, Palm Springs, California 92264
Management Consultant.

CHARLES CONRAD, JR., Trustee

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

JON S. FOSSEL, President and Trustee*

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

RAYMOND J. KALINOWSKI, Trustee

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

C. HOWARD KAST, Trustee

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

ROBERT M. KIRCHNER, Trustee

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

NED M. STEEL, Trustee

3416 S. Race Street, Englewood, Colorado 80110
Chartered Property and Casualty Underwriter; formerly Senior Vice President and a director of Van Gilder Insurance Corp. (insurance

brokers).

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

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

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

DAVID B. SALERNO, Vice President and Portfolio Manager
100 Northfield Drive, Windsor, Connecticut 06895
Managing Director of the Sub-Advisor; Senior Vice President of MML Series Investment Fund.

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

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

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

Remuneration of Trustees. The officers of the Fund (including Messrs.

Fossel and Swain) are affiliated with the Manager and receive no salary or fee from the Fund. During the Fund's fiscal year ended December 31, 1993, the remuneration (including expense reimbursements) paid to all Trustees of the Fund (excluding Messrs. Fossel and Swain) for services as Trustees and as members of one or more committees totaled \$_____. The Fund has an Audit and Review Committee, comprised of William A. Baker (Chairman), Charles Conrad, Jr. and Robert M. Kirchner. This Committee meets regularly to review audits, audit procedures, financial statements and other financial and operational matters of the Fund.

Major Shareholders. As of _____, 1994, no person owned of record or was known by the Fund to own beneficially 5% or more of any class of the Fund's outstanding shares.

HOW THE FUND IS MANAGED

The Fund's Manager is wholly-owned by Oppenheimer Acquisition Corp., a holding company controlled by MassMutual. OAC is also owned in part by certain of the Manager's directors and officers, some of whom may serve as officers of the Fund, and two of whom (Messrs. Jon S. Fossel and James C. Swain) serve as Trustees of the Fund.

The Investment Advisory Agreement, dated as of March 28, 1991, between the Trust on behalf of the Fund and OMC (the "Agreement") requires the Manager, at its expense, to provide the Fund with adequate office space, facilities and equipment and to provide and supervise the activities of all administrative and clerical personnel required to provide effective administration for the Fund, including investment management services, the compilation and maintenance of records with respect to its operations, the preparation and filing of specified reports, and composition of proxy materials and registration statements for continuous public sale of shares of the Fund. Expenses not expressly assumed by the Manager under the Agreement or paid by the Distributor are paid by the Fund. The Agreement lists examples of expenses paid by the Fund, the major categories of which relate to interest, taxes, brokerage fees, 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.

The Agreement provides that in the absence of willful misfeasance, bad faith or gross negligence in the performance of its duties or reckless disregard for its obligations and duties thereunder, the Manager is not liable for any loss sustained by reason of good faith errors or omissions in connection with any matters to which the Agreement relates. The Agreement permits the Manager to act as investment adviser for any other person, firm or corporation and to use the name "Oppenheimer" in connection with any of its activities or licensed by the Manager to any other person. 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.

Prior to April 23, 1993, MassMutual served as the Fund's investment sub-adviser under a prior sub-advisory agreement (the "Prior Sub-Advisory Agreement"). The Manager paid MassMutual a sub-advisory fee under the Prior Sub-Advisory Agreement at the following annual rates: 0.40% of the Fund's first \$100 million of average annual net assets, 0.30% of the next \$200 million, 0.25% of the next \$200 million and 0.20% of average annual net assets in excess of \$500 million. From January 1, 1993 through April 23, 1993, MassMutual temporarily delegated to the Sub-Adviser its duties to manage the investment and reinvestment of the Fund's assets under the Prior Sub-Advisory Agreement (but not its other duties). MassMutual also transferred the senior investment personnel responsible for advising the Fund to the Sub-Adviser. The delegation of duties to the Sub-Adviser was subject to MassMutual's supervision and control and subject to MassMutual's right to terminate the delegation at any time.

On April 23, 1993, the Fund's shareholders approved a new sub-advisory agreement (the "Sub-Advisory Agreement") with the Sub-Adviser, thereby terminating the delegation of duties under the Prior Sub-Advisory Agreement. The sub-advisory fees paid under the Sub-Advisory Agreement are stated in the Prospectus. In connection with approval of the Sub-Advisory Agreement by the Trust's Board of Trustees and shareholders, MassMutual has represented that there will be no substantive change in the sub-advisory relationship other than the anticipated restructuring of investment advisory duties between MassMutual and the Sub-Adviser pursuant to MassMutual's internal reorganization of its investment advisory services for equity assets. MassMutual has agreed to guarantee the performance of the Sub-Adviser under the Sub-Advisory Agreement. That guarantee may be amended or terminated by a written instrument signed by MassMutual, OMC and the Fund, and shall terminate if for three consecutive 12 month fiscal year ends the Sub-Adviser has total stockholders equity of at least \$200,000 according to its annual audited financial statements delivered to the Fund. Attaining such level of stockholders equity shall not preclude the Trust's Board of Trustees from considering the financial condition of the Sub-Adviser or any other matters in determining at any time whether to terminate, approve or renew the Sub-Advisory Agreement.

Under the Sub-Advisory Agreement, the Sub-Adviser is responsible for managing the Fund's portfolio of securities and making investment decisions with respect to the Fund's investments subject to the Fund's investment policies established by the Board of Trustees of the Trust, and in accordance with the Fund's investment objective, policies and restrictions, set forth in the Prospectus and this Additional Statement. The Sub-Advisory Agreement has the same provisions as to renewal, termination and the standard of care as the Investment Advisory Agreement, and both Agreements are subject to annual approval by the Trustees, who may terminate either Agreement on sixty days' notice approved by a majority of the Trustees.

The Agreements contain no expense limitation. However, independently of the Agreements, the Manager has undertaken that the total expenses of the Fund in any fiscal year (including the management fee, but excluding

taxes, interest, brokerage fees, distribution plan payments, and extraordinary expenses, such as litigation costs) shall not exceed (and the Manager undertakes to reduce the Fund's management fee in the amount by which such expenses shall exceed) the most stringent applicable state "blue sky" expense limitation requirement for qualification of sale of the Fund's shares. At present, that limitation is imposed by California and limits expenses (with specified exclusions) to 2.5% of the first \$30 million of the Fund's average annual net assets, 2.0% of the next \$70 million of average net assets and 1.5% of average net assets in excess of \$100 million. The Manager reserves the right to change or eliminate this expense limitation at any time. The payment of the management fee at the end of any month will be reduced so that at no time will there be any accrued but unpaid liability under the above expense limitation.

Prior to March 28, 1991, MassMutual was the Fund's investment adviser, and MML Investors Services, Inc. ("MMLISI"), a wholly-owned subsidiary of MassMutual (and therefore an affiliate of an affiliate of the Fund), was the Distributor of shares of the Fund. For the fiscal year ended December 31, 1991, the advisory fees paid to MassMutual for the period from January 1, 1991 to March 27, 1991 pursuant to the prior investment advisory agreement, were \$75,574, and the advisory fees paid to the Manager were \$266,278 (net of a \$21,414 expense assumption by MassMutual), of which \$142,541 was paid by the Manager to MassMutual pursuant to the Sub-Advisory Agreement. For the fiscal year ended December 31, 1992, the advisory fees paid by the Fund to the Manager was \$401,148, of which \$215,035 was paid by the Manager to MassMutual pursuant to the Fund's prior sub-advisory agreement. For the fiscal year ended 12/31/93, the advisory fees paid by the Fund to the Manager were \$_____, of which \$_____ was paid by the Manager to the Sub-Advisor.

BROKERAGE POLICIES OF THE FUND

Brokerage Provisions of the Investment Advisory and Sub-Advisory Agreements. One of the duties of the Sub-Advisor under the Sub-Advisory Agreement is to arrange the portfolio transactions of the Fund. In doing so, the Sub-Advisor is authorized by the Sub-Advisory Agreement to employ broker-dealers ("brokers"), 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 Sub-Advisor need not seek competitive commission bidding or base its selection on "posted" rates, but is expected to be aware of the current rates of eligible brokers and to minimize the commissions paid to the extent consistent with the provisions of the Sub-Advisory Agreement and the interests and policies of the Fund as established by the Trust's Board of Trustees.

Under the Sub-Advisory Agreement, the Sub-Advisor is authorized to select brokers which provide brokerage and/or research services for the Fund and/or the other accounts over which it or its affiliates have

investment discretion. The commissions paid to such brokers may be higher than another qualified broker would have charged, if a good faith determination is made by the Sub-Adviser that the commission is reasonable in relation to the services provided. Most purchases made by the Fund are principal transactions at net prices, and the Fund incurs little or no brokerage costs.

Description of Brokerage Practices Followed by the Manager. Subject to the provisions of the Agreement, when brokers are used for the Fund's portfolio transactions, allocations of brokerage are made by portfolio managers under the supervision of the Manager's executive officers and the Sub-Adviser. Transactions in securities other than those for which an exchange is the primary market are generally done with principals or market makers. Brokerage commissions are paid primarily for effecting transactions in listed securities and 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 transactions 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 Sub-Adviser or its affiliates are combined. 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. Option commissions may be relatively higher than those which would apply to direct purchases and sales of portfolio securities.

The research services provided by a particular broker may be useful only to one or more of the advisory accounts of the Sub-Adviser and its affiliates, and investment research received for the commissions of those other accounts may be useful both to the Fund and one or more of such other accounts. Such research, which may be supplied by a third party at the instance of a broker, includes information and analyses on particular companies and industries as well as market or economic trends and portfolio strategy, receipt of market quotations for portfolio evaluations, information systems, computer hardware and similar products and services. If a research service also assists the Sub-Adviser in a non-research capacity (such as bookkeeping or other administrative functions), then only the percentage or component that provides assistance to the Sub-Adviser in the investment decision-making process may be paid for in commission dollars. The research services provided by brokers broaden the scope and supplement the research activities of the Sub-Adviser by making available additional views for consideration and comparisons, and enabling the Sub-Adviser to obtain market information for the valuation of securities held in the Fund's portfolio or being considered for purchase. The Board, including the independent Trustees of the Trust (those Trustees of the Trust 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 Agreements, the Plans of Distribution described below or in any agreements relating to those Plans), annually reviews information furnished by the Sub-Adviser as to the commissions paid to brokers furnishing such

services in an effort to ascertain that the amount of such commissions was reasonably related to the value or the benefit of such services.

Pursuant to the Sub-Advisory Agreement, the Sub-Adviser is authorized, in arranging the purchase and sale of the Fund's portfolio securities, to employ or deal with such members of the securities exchanges, brokers or dealers as may in its best judgement implement the policy of the Fund to obtain, at reasonable expense, the "best execution" (i.e., prompt and reliable execution at the most favorable security price obtainable) of the Fund's portfolio transactions. The Sub-Adviser shall select broker-dealers to effect the Fund's portfolio transactions 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 the Sub-Adviser on the basis of all relevant factors and considerations.

Securities held by the Fund may also be held by Sub-Adviser in its investment accounts and by other investment companies for which it acts as investment adviser. If the same security is purchased or sold for the Fund and such investment accounts or companies at or about the same time, such purchases or sales normally will be combined, to the extent practicable, and will be allocated as nearly as practicable on a pro rata basis in proportion to the amounts to be purchased and sold. The main factors to be considered will be the investment objectives of the respective portfolios, the relative size of portfolio holdings of the same or comparable security, availability of cash for investment by the various portfolios and the size of their respective investment commitments. It is believed that the ability of the Fund to participate in larger volume transactions will, in most cases, produce better execution for the Fund. In some cases, however, this procedure could have a detrimental effect on the price and amount of a security available to the Fund or the price at which a security may be sold. It is the opinion of the Trust's management that such execution advantage and the desirability of retaining the Sub-Adviser in that capacity outweigh the disadvantages, if any, which might result from this procedure.

Paul Hallingby, Jr. is a director of MassMutual and a General Partner of Bear Stearns & Co., Inc. ("Bear Stearns"). For its fiscal years ended December 31, 1991, 1992 and 1993, the Fund paid brokerage fees to Bear Stearns of \$822, \$1,110 and \$_____, respectively. For the fiscal year ended December 31, 1993, the Fund placed _____% of its transactions involving payment of commissions with Bear Stearns, for which it was paid _____% of the Fund's aggregate brokerage fees for that period.

During the fiscal years ended December 31, 1991, 1992 and 1993, total brokerage commissions paid by the Fund (not including spreads or concessions on principal transactions on a net trade basis) were \$14,863, \$20,543 and \$_____, respectively. During the fiscal year ended December 31, 1993, \$_____ was paid to dealers as brokerage commissions in return for research services (including special research,

statistical information and execution); the aggregate dollar amount of those transactions was \$ _____. The transactions giving rise to those commissions were allocated in accordance with the internal allocation procedures described above.

YOUR INVESTMENT ACCOUNT

How the Fund Determines Net Asset Value Per Share. The net asset values per share of Class A and Class B shares of the Fund are determined as of 4:00 P.M. New York time each day the New York Stock Exchange (the "NYSE") is open by dividing the value of the Fund's net assets attributable to that class by the number of shares of that class outstanding. The NYSE'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 at times when the NYSE is closed (including weekends and holidays, or after 4:00 P.M. on a regular business day). Because the net asset values of the Fund will not be calculated at such times, if securities held in the Fund's portfolio are traded at such times, the net asset values per share of Class A and Class B shares of the Fund may be significantly affected on such days when shareholders do not have the ability to purchase or redeem shares.

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

currency will be converted to U.S. dollars at the prevailing rates of exchange at the time of valuation.

Trading in securities on European and Asian exchanges and over-the-counter markets is normally completed before the close of the NYSE. Events affecting the values of foreign securities traded in such markets that occur between the time their prices are determined and the close of the NYSE will not be reflected in the Fund's calculation of net asset value unless the Board of Trustees, the Manager or the Sub-Adviser, under procedures established by the Board, determines that the particular event would materially affect the Fund's net asset value, in which case an adjustment would be made.

In the case of U.S. Government Securities, mortgage-backed securities, foreign fixed-income securities and corporate bonds, when 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 Trust's Board of Trustees has authorized the Manager and/or the Sub-Adviser to employ a pricing service to price U.S. Government Securities, mortgage-backed securities, foreign government securities and corporate bonds. The Trustees will monitor the accuracy of such pricing services by comparing prices used for portfolio evaluation to actual sales prices of selected securities.

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

Alternative Sales Arrangements - Class A and Class B Shares. The Alternative Sales Arrangements permit an investor to choose the method of purchasing shares that is more beneficial to the investor depending on the amount of the purchase, the length of time the investor expects to hold shares and other relevant circumstances. Investors should understand that the purpose and function of the deferred sales charge and asset-based sales charge with respect to Class B shares are the same as those of the initial sales charge with respect to Class A shares. 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 the other. The Distributor will not accept any order for \$1 million or more of Class B shares on behalf of a single investor (not including dealer "street name" or omnibus accounts) because generally it will be more advantageous for that investor to purchase Class A shares of the Fund instead.

The two 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 shares and the dividends payable on Class B shares will be reduced by incremental expenses borne solely by that class, including the asset-based sales charge to which Class B shares are subject.

The conversion of Matured Class B shares to Class A shares 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 Matured 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 Matured Class B shares would occur while such suspension remained in effect. Although Matured 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 and Class B shares recognizes two types of expenses. General expenses that do not pertain specifically to either class are allocated pro rata to the shares of each class, based on the percentage of the net assets of such class to the Fund's total net assets, and then equally to each outstanding share within a given class. Such general expenses include (i) management fees, (ii) legal, bookkeeping and audit fees, (iii) printing and mailing costs of shareholder reports, Prospectuses, Additional Statements and other materials for current shareholders, (iv) fees to unaffiliated Trustees, (v) custodian expenses, (vi) share issuance costs, (vii) organization and start-up costs, (viii) interest, taxes and brokerage commissions, and (ix) non-recurring expenses, such as litigation costs. Other expenses that are directly attributable to a class are allocated equally to each outstanding share within that class. Such expenses include (i) Distribution 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.

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 the shares. Dividends will begin to accrue on such shares on the day the Fund receives Federal Funds for such purchase through the ACH system before 4:00 P.M., which is normally 3 days after the ACH transfer is initiated. The Distributor and the Fund are not responsible for any delays. If the Federal Funds are received after 4:00 P.M., dividends will begin to accrue on the next regular business day after such Federal Funds are received.

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

- The OppenheimerFunds. The OppenheimerFunds 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 Bond Fund
Oppenheimer Insured Tax-Exempt Bond 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 Time Fund
Oppenheimer Target Fund
Oppenheimer Special Fund
Oppenheimer Equity Income Fund
Oppenheimer Value Stock Fund
Oppenheimer Asset Allocation Fund
Oppenheimer Total Return Fund, Inc.
Oppenheimer Main Street Income & Growth Fund
Oppenheimer High Yield Fund
Oppenheimer Champion High Yield Fund
Oppenheimer Investment Grade Bond Fund
Oppenheimer U.S. Government Trust
Oppenheimer Limited-Term Government Fund
Oppenheimer Mortgage Income Fund
Oppenheimer Global Fund
Oppenheimer Global Bio-Tech Fund
Oppenheimer Global Environment Fund
Oppenheimer Global Growth & Income Fund
Oppenheimer Gold & Special Minerals Fund
Oppenheimer Strategic Income Fund
Oppenheimer Strategic Investment Grade Bond Fund
Oppenheimer Strategic Short-Term Income Fund
Oppenheimer Strategic Income & Growth Fund
Oppenheimer Strategic Diversified Income Fund

the following "Money Market Funds":

Oppenheimer Money Market Fund, Inc.
Oppenheimer Cash Reserves
Oppenheimer Tax-Exempt Cash Reserves
Centennial Money Market Trust
Centennial Tax Exempt Trust
Centennial Government Trust
Centennial New York Tax Exempt Trust
Centennial California Tax Exempt Trust
Centennial America Fund, L.P.
Daily Cash Accumulation Fund, Inc.

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 CDSC).

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

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

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

In determining the total amount of purchases made under a Letter, shares redeemed by the investor prior to the termination of the Letter of Intent period will be deducted. It is the responsibility of the dealer of record and/or the investor to 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 to 5% of the intended amount specified in the Letter shall be held in escrow by the Transfer Agent. For example, if the intended amount specified under the Letter is \$50,000, the escrow shall be shares valued in the amount of \$2,500 (computed at the public offering price adjusted for a \$50,000 purchase). Any dividends and capital gains distributions on the escrowed shares will be credited to the investor's account.

2. If the total minimum investment 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 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 the Letter) do not include any shares sold without a front-end sales charge or without being subject to a Class A contingent deferred sales charge unless (for the purpose of determining completion of the obligation to purchase shares under the Letter) the shares were acquired in exchange for shares of one of the Oppenheimer Funds whose shares were acquired by payment of a sales charge.

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

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

The Fund's Board of Trustees has the right to cause the involuntary redemption of the shares held in any account if the aggregate net asset value of such shares is less than \$1,000 or such lesser amount as the Board may fix. The Fund's Board of Trustees will not cause the involuntary redemption of shares held in an account if the aggregate net asset value of such shares has fallen below the stated minimum solely as

result of market fluctuations. Should the Board elect to exercise this right, it may also fix, in accordance with the Investment Company Act, the requirements for any notice to be given to the shareholders in question (not less than 30 days), or may set requirements for permission to allow the shareholder to increase the investment so that the shares would not be involuntarily redeemed.

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 Tax-Exempt Cash Reserves or Oppenheimer Cash Reserves to use those accounts for monthly automatic purchases of shares of up to four other Eligible Funds.

There is a sales charge on the purchase of certain Eligible Funds. An application should be obtained from the Transfer Agent, completed and returned, and a prospectus of the selected fund(s) (available from the Distributor) should be obtained 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.

Reinvestment Privilege. Within six months of a redemption, a shareholder may reinvest all or part of the redemption proceeds of (i) Class A shares, or (ii) Class B shares that were subject to the Class B contingent deferred sales charge when redeemed, 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 receipt by the Transfer Agent of the reinvestment order. The shareholder must ask the Distributor for such 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 Internal Revenue Code, if the redemption proceeds of Fund shares on which a sales charge was paid are reinvested in shares of the Fund or another of the OppenheimerFunds 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. 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.

Transfer of Shares. Shares are not subject to the payment of a contingent deferred sales charge of either 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 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, 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. 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) in OppenheimerFunds-sponsored pension or profit-sharing plans may not directly request redemption of their accounts. The employer or plan administrator must sign the request. Distributions from pension and profit sharing plans are subject to special requirements under the Internal Revenue Code and certain documents (available from the Transfer Agent) must be completed before the distribution may be made. Distributions from retirement plans are subject to withholding requirements under the Internal Revenue Code, and IRS Form W-4P (available from the Transfer Agent) must be submitted to the Transfer Agent with the distribution request, or the distribution may be delayed. Unless the shareholder has provided the Transfer Agent with a certified tax identification number, the Internal Revenue Code requires that tax be withheld from any distribution even if the shareholder elects not to have tax withheld. The 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 will be the net asset value next computed after the receipt of an order placed by such dealer or broker, except that orders received from dealers or brokers after 4:00 P.M. on a regular business day will be processed at that day's net asset value if such orders were received by the dealer or broker from its customers prior to 4:00 P.M., and were transmitted to and received by the Distributor prior to its close of business that day (normally 5:00 P.M.). Payment ordinarily will be made within seven days after the Distributor's receipt of the required documents, with signature(s) guaranteed as described above.

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 by check payable to all shareholders of record and sent to the address of record for the account (and if the address has not been changed within the prior 30 days). Required minimum distributions from OppenheimerFunds-sponsored retirement plans may not be arranged on this basis. Payments are normally made by check, but shareholders having AccountLink privileges (see "How To Buy Shares") may arrange to have Automatic Withdrawal Plan payments transferred to the bank account designated on the OppenheimerFunds New Account Application or signature-guaranteed instructions. The Fund cannot guarantee receipt of the payment on the date requested and reserves the right to amend, suspend or discontinue offering such plans at any time without prior notice. Because of the sales charge assessed on Class A share purchases, shareholders should not make regular additional Class A purchases while participating in an Automatic Withdrawal Plan. Class B shareholders should not establish withdrawal plans, because of the imposition of the Class B CDSC on such withdrawals (except where the Class B CDSC is waived as described in "Class B 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.

- 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 OppenheimerFunds 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 "Exchange Privilege" in the Prospectus and "How to Exchange Shares" 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 thereafter 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 such plans should not be considered as a yield or income on your investment. It may not be desirable to purchase additional Class A shares while making automatic withdrawals because of the sales charges that apply to purchases when made. Accordingly, a shareholder normally may not maintain an Automatic Withdrawal Plan while simultaneously making regular purchases of Class A shares.

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 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 (the date selected for receipt is an approximate date), 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 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. The list of OppenheimerFunds to which exchanges of shares may be made (subject to restrictions in the Prospectus and in this Statement of Additional Information) is contained in "Reduced Sales Charges," above.

Class A shares of OppenheimerFunds may be exchanged for shares of any Money Market Fund; shares of any Money Market Fund purchased without a sales charge may be exchanged for shares of OppenheimerFunds offered with a sales charge upon payment of the sales charge (or, if applicable, may be used to purchase shares of OppenheimerFunds subject to a CDSC); and shares of this Fund acquired by reinvestment of dividends or distributions from any other of the OppenheimerFunds or from any unit investment trust for which reinvestment arrangements have been made with the Distributor may be exchanged at net asset value for shares of any of the OppenheimerFunds. No CDSC is imposed on exchanges of shares of either class purchased subject to a CDSC. However, when Class A shares acquired by exchange of Class A shares purchased subject to a Class A CDSC are redeemed within 18 months of the end of the calendar month of the initial

purchase of the exchanged Class A shares, the Class A CDSC is imposed on the redeemed shares (see "Class A Contingent Deferred Sales Charge" in the Prospectus), and the Class B CDSC is imposed on Class B shares redeemed within six years of the initial purchase of the exchanged Class B 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 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 Class B 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 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 both classes must specify whether they intend to exchange Class A or Class B shares.

When exchanging shares by telephone, the shareholder must either have an existing account in, or 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 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 request 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 OppenheimerFunds 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 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 transaction.

Exchanges of Class B Shares. As stated in the Prospectus, shares of a particular class of OppenheimerFunds having more than one class of shares may be exchanged only for shares of the same class of another of the OppenheimerFunds. All of the OppenheimerFunds (except Oppenheimer Strategic Diversified Income Fund) offer Class A shares; if the shares of a fund offering one class are not denominated with a class designation in the Prospectus, they are considered "Class A" shares. Only the following other OppenheimerFunds offer Class B shares as of the date of this Statement of Additional Information (this list may change from time to time, and to obtain a current list, please call the Transfer Agent at 1-800-525-7048):

- Oppenheimer Strategic Income Fund
- Oppenheimer Strategic Income & Growth Fund
- Oppenheimer Strategic Investment Grade Bond Fund
- Oppenheimer Strategic Short-Term Income Fund
- Oppenheimer New York Tax-Exempt Fund
- Oppenheimer Tax-Free Bond Fund
- Oppenheimer California Tax-Exempt Fund
- Oppenheimer Pennsylvania Tax-Exempt Fund
- Oppenheimer Florida Tax-Exempt Fund
- Oppenheimer New Jersey Tax-Exempt Fund
- Oppenheimer Insured Tax-Exempt Bond Fund
- Oppenheimer Main Street California Tax-Exempt Fund
- Oppenheimer Total Return Fund, Inc.
- Oppenheimer Investment Grade Bond Fund
- Oppenheimer Limited-Term Government Fund
- Oppenheimer High Yield Fund
- Oppenheimer Mortgage Income Fund
- Oppenheimer Cash Reserves (Class B shares are only available by exchange)
- Oppenheimer Special Fund
- Oppenheimer Equity Income Fund
- Oppenheimer Global Fund

The Transfer Agent. Oppenheimer Shareholder Services, as transfer agent, is responsible for maintaining the Fund's shareholder registry and shareholder accounting records, and for shareholder servicing and administrative functions. For information about your account, call the

toll-free number or write to the address of the Transfer Agent on the front cover.

PERFORMANCE OF THE FUND

As described in the Prospectus, from time to time the "average annual total return", "total return," and "total return at net asset value" of an investment in each class of Fund shares may be advertised. An explanation of how yields and total returns are calculated for each class and the components of those calculations are set forth below.

Total return information may be useful to investors in reviewing the Fund's performance. The Fund's advertisement of its performance must, under applicable SEC rules, include the average annual total returns for each class of shares of the Fund for the 1, 5 and 10-year period (or the life of the class, if less) as of the most recently ended calendar quarter. 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 total return is 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. Total returns for any given past period are not a prediction or representation by the Fund of future yields or rates of return on its shares. The total returns of the Class A and Class B shares of the Fund are affected by portfolio quality, portfolio maturity, the type of investments the Fund holds and its operating expenses.

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"), according to the following formula:

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

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. Total return is determined as follows:

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

In calculating total returns for Class A shares, the current

maximum sales charge of 5.75% (as a percentage of the offering price) is deducted from the initial investment ("P") (unless the return is shown at net asset value, as discussed below). For Class B shares, the payment of the applicable contingent deferred sales charge (5.0% for the first year, 4.0% for the second year, 3.0% for the third and fourth years, 2.0% in the fifth year, 1.0% in the sixth year and none thereafter) is applied to the investment result for the time period shown (unless the total return is shown at net asset value, as described below). 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 Class A shares of the Fund for the one year period ended December 31, 1993 and for the period from April 15, 1988 (the date the Fund became an open-end Fund) to December 31, 1993, were _____% and _____%, respectively. The cumulative "total return" on Class A shares for the latter period was _____%. For the fiscal period from May 3, 1993, through December 31, 1993, the average annual total return and the cumulative total return on an investment in Class B shares of the Fund were _____% and _____%, respectively.

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 or Class B shares. It 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 sales charges) and takes into consideration the reinvestment of dividends and capital gains distributions. The cumulative "total returns at net asset value" on the Fund's Class A shares for the fiscal year ended December 31, 1993, and for the period from April 15, 1988 to December 31, 1993 were _____% and _____%, respectively. The cumulative total return at net asset value on the Fund's Class B shares for the fiscal period from May 3, 1993 through December 31, 1993 was _____%.

Other Performance Comparisons. From time to time the Fund may publish the ranking of the performance of its Class A or Class B shares by Lipper Analytical Services, Inc. ("Lipper"), a widely-recognized independent mutual fund monitoring 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 is ranked against (i) all other funds, excluding money market funds, and (ii) all other general bond funds. The Lipper performance rankings are based on total return that includes the reinvestment of capital gains distributions and income dividends but does not take sales charges or taxes into consideration. The Fund's performance may also be compared to the performance of the Lipper General Bond Fund Index, which is a net asset value weighted index of general bond funds compiled by Lipper. It is calculated with adjustments for income dividends and capital gains distributions as of the ex-dividend date.

From time to time the Fund may publish the ranking of the performance of its Class A or Class B shares by Morningstar, Inc., an independent mutual fund monitoring service that ranks mutual funds, including the Fund, in broad investment categories (equity, taxable bond, tax-exempt and other) monthly, based upon each fund's three, five and ten-year average annual total returns (when available) and a risk adjustment factor that reflects Fund performance relative to three-month U.S. Treasury bill monthly returns. Such returns are adjusted for fees and sales loads. There are five ranking categories with a corresponding number of stars: highest (5), above average (4), neutral (3), below average (2) and lowest (1). Ten percent of the funds, series or classes in an investment category receive 5 stars, 22.5% receive 4 stars, 35% receive 3 stars, 22.5% receive 2 stars, and the bottom 10% receive one star. Morningstar ranks the Class A and Class B shares of the Fund in relation to other taxable bond funds.

The total return on an investment made in either class of shares of the Fund may be compared with performance for the same period of the Standard & Poor's 500 Index or the New York Stock Exchange Index, which are widely-recognized indices of stock performance. Such indices consist of unmanaged groups of common stocks. Neither of those indices includes the reinvestment of income dividends or takes the sales charges or taxes into consideration, as these items are not applicable to indices.

From time to time the Fund may also include in its advertisements and sales literature performance information about the Fund or rankings of the Fund's performance cited in newspapers or periodicals, such as The New York Times. These articles may include quotations of performance from other sources, such as Lipper or Morningstar.

When comparing total return and investment risk of an investment in Class A or Class B shares of the Fund with other investments, investors should understand that certain other investments have different risk characteristics than an investment in shares of the Fund. For example, certificates of deposit may have fixed rates of return and may be insured as to principal and interest by the FDIC, while the Fund's returns will fluctuate and its share values and returns are not guaranteed. Money market accounts offered by banks also may be insured by the FDIC and may offer stability of principal. U.S. Treasury securities are guaranteed as to principal and interest by the full faith and credit of the U.S. government. Money market mutual funds may seek to offer a fixed price per share.

DISTRIBUTION AND SERVICE PLANS

The Fund has adopted a Service Plan for Class A Shares and a Distribution and Service Plan for Class B shares of the Fund under Rule 12b-1 of the Investment Company Act, pursuant to which the Fund will reimburse the Distributor for all or a portion of its costs incurred in connection with the distribution and/or servicing of the shares of that class, as described in the Prospectus. Each Plan has been approved by a

vote of (i) the Board of Trustees of the Fund, including a majority of the Independent Trustees, cast in person at a meeting called for the purpose of voting on that Plan, and (ii) the holders of a "majority" (as defined in the Investment Company Act) of the shares of each class (for the Distribution and Service Plan for the Class B shares, that vote was cast by the Manager as the then-sole initial holder of Class B shares of the Fund). In addition, the Manager and the Distributor may, under the Plans, from time to time from their own resources (which, as to the Manager, may include profits derived from the advisory fee it receives from the Fund) make payments to Recipients for distribution and administrative services they perform. The Distributor and the Manager may, in their sole discretion, increase or decrease the amount of distribution assistance payments they make to Recipients from their own assets. For further details, see the discussions relating to the Plans in "How to Buy Shares" in the Prospectus.

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 and its Independent Trustees by a vote cast in person at a meeting called for the purpose of voting on such continuance. Either Plan may be terminated at any time by the vote of a majority of the Independent Trustees or by the vote of the holders of a "majority" (as defined in the Investment Company Act) of the outstanding shares of that class. Neither Plan may be amended to increase materially the amount of payments to be made unless such amendment is approved by shareholders of the respective class, who vote exclusively on approval or amendment of the Plan for that class. All material amendments must be approved by 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 on the amount of all payments made pursuant to each Plan, the purpose for which the payment was made and the identity of each Recipient that received any such payment. The report for the Class B Plan shall also include the distribution costs for that quarter, and such costs for previous fiscal periods that are carried forward, as explained in the Prospectus and below. Those reports, including the allocations on which they are based, will be subject to the review and approval of the Independent Trustees in the exercise of their fiduciary duty. Each Plan further provides that while it is in effect, the selection 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 on any such selection or nomination is approved by a majority of the Independent Trustees.

Under the Plans, no payment will be made to any broker, dealer or other financial institution under the Plan (each is referred to as a "Recipient") in any quarter if the aggregate net asset value of all Fund shares held by the Recipient for itself and its customers did not exceed

a minimum amount, if any, that may be determined from time to time by a majority of the Fund's Independent Trustees. Initially, the Board of Trustees has set the fee at the maximum rate allowed under the Plans and set no minimum amount.

For the fiscal year ended December 31, 1993, payments under the Class A Plan totaled \$_____, all of which was paid by the Distributor to Recipients, including \$_____ paid to MMLISI. Unreimbursed expenses incurred with respect to Class A shares for any fiscal quarter by the Distributor may not be recovered under the Class A Plan in subsequent fiscal quarters. Payments received by the Distributor under the Class A Plan will not be used to pay any interest expense, carrying charges, or other financial costs, or allocation of overhead by the Distributor.

The Class B Plan allows the service fee payment to be paid by the Distributor to Recipients in advance for the first year Class B shares are outstanding, and thereafter on a quarterly basis, as described in the Prospectus. Service fee payments by the Distributor to Recipients will be made (i) in advance for the first year Class B shares are outstanding, following the purchase of shares, in an amount equal to 0.25% of the net asset value of the shares purchased by the Recipient or its customers and (ii) thereafter, on a quarterly basis, computed as of the close of business each day at an annual rate of 0.25% of the average daily net asset value of Class B shares held in accounts of the Recipient or its customers. An exchange of shares does not entitle the Recipient to an advance payment of the service fee. In the event Class B shares are redeemed during the first year such shares are outstanding, the Recipient will be obligated to repay a pro rata portion of the advance of the service fee payment to the Distributor.

Although the Class B Plan permits the Distributor to retain both the asset-based sales charges and the service fee on Class B shares, or to pay Recipients the service fee on a quarterly 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 by the Board. Initially, the Board has set no minimum holding period. All payments under the Class B Plan become subject to the limitations imposed by the National Association of Securities Dealers, Inc. Rules of Fair Practice on payments of asset based sales charges and service fees. The Distributor anticipates that it will take a number of years for it to recoup (from the Fund's payments to the Distributor under the Class B Plan) the sales commissions paid to authorized brokers or dealers. For the Fiscal period from May 3, 1993 through December 31, 1993, payments under the Class B plan totaled \$_____.

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 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 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 were 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 Plan allows for the carry-forward of distribution expenses, to be recovered from asset-based sales charges in subsequent fiscal periods, as described above and in the Prospectus. In the event the Class B Plan is terminated, the Distributor is entitled to continue to receive the asset-based sales charge of 0.75% per annum on Class B shares sold prior to termination until the Distributor has recovered its Class B distribution expenses incurred prior to termination from such payments and from the Class B CDSC.

The Fund believes that current applicable accounting standards do not require the Fund to record as a current liability its obligation under the Class B Plan to carry over and continue payments of the asset-based sales charge to the Distributor in the future to reimburse it for expenses incurred as to Class B shares sold prior to the termination of the Plan. Those accounting standards are currently being reviewed by the AICPA, as discussed in the Prospectus. If those accounting standards should be changed to require the Fund to recognize that obligation for future payments as a current liability, the Fund's Board would consider other alternatives to that provision of the Class B Plan, because otherwise the treatment of such expenses as a current liability would affect all then-outstanding Class B shares regardless of how long they had been held. Furthermore, Class B shareholders whose shares had not matured would continue to remain subject to the Class B CDSC.

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

DIVIDENDS, CAPITAL GAINS AND TAXES

Dividends and Distributions. Dividends will be payable on shares held of record at the time of the previous determination of net asset value, or as otherwise described in "How to Buy Shares." 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. Dividends will be declared on shares repurchased by a dealer or broker for four business days following the trade date (i.e., to and including the day prior to settlement of the repurchase). If all shares in an account are redeemed, all dividends accrued on shares of the same class in the account will be paid together with the redemption proceeds.

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, to enable the investor to earn a return on otherwise idle funds.

Special provisions of the Internal Revenue Code govern the eligibility of the Fund's dividends for 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 that shareholder for 45 days or less. To the extent the Fund's dividends are derived from its gross income from option premiums, interest income or short-term capital gains from the sale of securities, or dividends from foreign corporations, its dividends will not qualify for the deduction. It is expected that for the most part the Fund's dividends will not qualify, because of the nature of the investments held by the Fund in its portfolio.

The amount of a class's distributions may vary from time to time depending on market conditions, the composition of the Fund's portfolio, and expenses borne by the Fund or borne separately by a class, as described in "Alternative Sales Arrangements -- Class A and Class B," above. Dividends are calculated in the same manner, at the same time and on the same day for shares of each class. However, dividends on Class B shares are expected to be lower as a result of the asset-based sales charge on Class B shares, and Class B dividends will also differ in amount as a consequence of any difference in net asset value between Class A and Class B shares.

Distributions may be made annually in December out of any net short-term or long-term capital gains realized from the sale of

securities, premiums from expired calls written by the Fund and net profits from Hedging Instruments and closing purchase transactions realized in the twelve months ending on October 31 of the current year. Any difference between the net asset value of Class A and Class B shares will be reflected in such distributions. Distributions from net short-term capital gains are taxable to shareholders as ordinary income and when paid by the Fund are considered "dividends." The Fund may make a supplemental distribution of capital gains and ordinary income following the end of its fiscal year. Any long-term capital gains distributions will be identified separately when paid and when tax information is distributed by the Fund. If prior distributions must be re-characterized at the end of the fiscal year as a result of the effect of the Fund's investment policies, shareholders may have a non-taxable return of capital, which will be identified in notices to shareholders. There is no fixed dividend rate (although the Fund may have a targeted dividend rate for Class A shares) and there can be no assurance as to the payment of any dividends or the realization of any capital gains.

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

Under the Internal Revenue Code, by December 31 each year the Fund must distribute 98% of its taxable investment income earned from January 1 through December 31 of that year and 98% of its capital gains realized in the period from November 1 of the prior year through October 31 of the current year, or else the Fund must pay an excise tax on the amounts not distributed. The Manager might determine in a particular year that it might be in the best interest of shareholders for the Fund not to make distributions at the required levels and to pay the excise tax on the undistributed amounts. That would reduce the amount of income or capital gains available for distribution to shareholders.

The Internal Revenue Code requires that a holder (such as the Fund) of a zero coupon security accrue as income each year a portion of the discount at which the security was purchased even though the Fund receives no interest payment in cash on the security during the year. As an investment company, the Fund must pay out substantially all of its net investment income each year or be subject to excise taxes, as described above. Accordingly, when the Fund holds zero coupon securities, it 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 during that year. Such distributions will be made from the cash assets of the Fund or by liquidation of portfolio securities, if necessary. 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.

Dividend Reinvestment in Another Fund. Shareholders of the Fund may elect to reinvest all dividends and/or capital gains distributions in shares of the same class of any of the other OppenheimerFunds listed in "Reduced Sales Charges" above at net asset value without sales charge. Not all OppenheimerFunds currently offer Class B shares. The names of Funds that offer Class B shares can be obtained by calling the Distributor at 1-800-525-7048. To elect this option, the shareholder must notify the Transfer Agent in writing and either must have an existing account in the fund selected for reinvestment or must obtain a prospectus for that fund and an application from the Distributor to establish an account. The investment will be made at the net asset value per share in effect at the close of business on the payable date of the dividend or distribution.

ADDITIONAL INFORMATION ABOUT THE FUND

Information about the Fund's Declaration of Trust and Business Structure. Shares of the Fund represent an interest in the Fund proportionately equal to the interest of each other share of the same class and entitle their holders to one vote per share (and a proportional vote for a fractional share) on matters submitted to their vote at shareholder meetings. Only shareholders of a particular class vote on matters affecting only that class. The Trustees may divide or combine the shares of a class into a greater or lesser number of shares without thereby changing the proportionate beneficial interest in the Fund. Shares do not have cumulative voting rights or preemptive or subscription rights.

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 highly unlikely and is limited to the relatively remote circumstances in which the Fund would be unable to meet its obligations. 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 a defense of any claim made against any shareholder for any act or obligation of the Fund and satisfy any judgment thereon. Any person doing business with the Fund, and any shareholder of the Fund, agrees under the Fund's Declaration of Trust to look solely to the assets of the Fund for satisfaction of any claim or demand that may arise out of any dealings with the Fund, and the Trustees shall have no

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

It is not contemplated that regular annual meetings of shareholders will be held. 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 or upon proper request of the shareholders. 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 shareholders 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 in the aggregate shares of the Fund valued at \$25,000 or more or holding 1% or more of the Fund's outstanding shares, whichever is less, that they wish to communicate with other shareholders to request a meeting to remove a Trustee, the Trustees will then either give the applicants access to the Fund's shareholder list, mail their communication to all other shareholders at the applicants' expense, or take alternative action as set forth in Section 16(c) of the Investment Company Act.

Information About the Custodian of the Fund's Portfolio Securities. The Custodian of the assets of the Fund is The Bank of New York. The Custodian's responsibilities include safeguarding and controlling the Fund's portfolio securities, collecting income on the portfolio securities and handling the delivery of such securities to and from the Fund. The Manager and its affiliates have banking relationships with the Custodian. The Manager has represented to the Fund that its banking relationships with the Custodian have been and will continue to be unrelated to and unaffected by the relationship between the Fund and the Custodian. It will be the practice of the Fund to deal with the Custodian in a manner uninfluenced by any banking relationship the Custodian may have with the Manager and its affiliates. The Fund's cash balances with the Custodian in excess of \$100,000 are not protected by Federal deposit insurance. Such uninsured balances may at times be substantial.

The Distributor. Under the General Distributor's Agreement between the Trust and the Distributor, the Distributor acts as the Fund's principal underwriter in the continuous public offering of the Fund's Class A and Class B shares, but is not obligated to sell a specific number of shares. Expenses normally attributable to sales (other than those paid under the Class B Distribution and Service Plan), 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, 1991, 1992 and 1993, the aggregate amount of sales charges on sales of the Fund's shares was \$83,992, \$171,597 and \$ _____, respectively, of which the Distributor and MMLISI retained in the aggregate \$81,195, \$162,902 and \$ _____ in those respective years.

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

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

Sub-Adviser
Concert Capital Management, Inc.
125 High Street
Boston, Massachusetts 02110

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

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

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

Independent Auditors
Deloitte & Touche
1560 Broadway
Denver, Colorado 80202

Legal Counsel
Myer, Swanson & Adams, P.C.
1600 Broadway
Denver, Colorado 80202-4918

OPPENHEIMER INTEGRITY FUNDS

FORM N-1A

PART C

OTHER INFORMATION

Item 24. Financial Statements and Exhibits

(a) Financial Statements:

1. Financial History (See Part A, Prospectus)*
2. Independent Auditors' Reports (See Part B, Statement of Additional Information)*
3. Statements of Investments (See Part B, Statement of Additional Information)*
4. Statements of Assets and Liabilities (See Part B, Statement of Additional Information)*
5. Statements of Operations (See Part B, Statement of Additional Information)*
6. Statements of Changes in Net Assets (See Part B, Statement of Additional Information)*
7. Notes to Financial Statements (See Part B, Statement of Additional Information)*
8. Independent Auditors' Consent.*

(b) Exhibits:

1. Amended and Restated Declaration of Trust dated April 23, 1993: Filed with Registrant's Post-Effective Amendment No. 18, 4/30/93, and incorporated herein by reference.
2. Registrant's By-Laws dated 6/25/91: Filed with Registrant's Post-Effective Amendment No. 16, 5/1/92, and incorporated herewith by reference.
3. Not applicable.

*To be filed by Amendment.

4. (i) Specimen Class A Share Certificate for Oppenheimer Value Stock Fund: Filed with Registrant's Post-Effective Amendment No. 18, 4/30/93, and incorporated herein by reference.
- (ii) Specimen Class A Share Certificate for

Oppenheimer Investment Grade Bond Fund: Filed with Registrant's Post-Effective Amendment No. 18, 4/30/93, and incorporated herein by reference.

- (iii) Specimen Class B Share Certificate for Oppenheimer Value Stock Fund: Filed with Registrant's Post-Effective Amendment No. 18, 4/30/93, and incorporated herein by reference.
 - (iv) Specimen Class B Share Certificate for Oppenheimer Investment Grade Bond Fund: Filed with Registrant's Post-Effective Amendment No. 18, 4/30/93, and incorporated herein by reference.
5. (i) Investment Advisory Agreement dated 3/28/91 for Oppenheimer Investment Grade Bond Fund: Filed as Exhibit 5(i) of Registrant's Post-Effective Amendment No. 15, 3/29/91, and incorporated herein by reference.
- (ii) Investment Advisory Agreement dated 3/28/91 for Oppenheimer Value Stock Fund: Filed with Registrant's Post-Effective Amendment No. 16, 5/1/92, and incorporated herein by reference.
 - (iii) Investment Sub-Advisory Agreement dated 3/28/91 for Oppenheimer Investment Grade Bond Fund: Filed as Exhibit 5(iii) of Registrant's Post-Effective Amendment No. 15, 3/29/91, and incorporated herein by reference.
 - (iv) Investment Sub-Advisory Agreement dated 4/23/93 for Oppenheimer Value Stock Fund - Filed with Registrant's Post-Effective Amendment No. 18, 4/30/93, and incorporated herein by reference.
 - (v) Letter dated 12/16/92 concerning temporary delegation of duties to manage Oppenheimer Value Stock Fund - Filed with Registrant's Post-Effective Amendment No. 18, 4/30/93, and incorporated herein by reference.
 - (vi) Unconditional Guarantee Agreement dated 1/1/93 by Massachusetts Mutual Life Insurance Company to Oppenheimer Value Stock Fund of Concert Capital Management, Inc.'s performance - Filed with Registrant's Post-Effective Amendment No. 18, 4/30/93, and incorporated herein by reference.

6. (i) General Distributor's Agreement dated 10/13/92: Filed with Registrant's Post-Effective Amendment No. 17, 2/26/93, and incorporated herein by reference.
- (ii) Form of Oppenheimer Fund Management, Inc. Dealer Agreement: Filed with Post-Effective Amendment No. 12 to the Registration Statement of Oppenheimer Government Securities Fund (Reg. No. 33-02769), 12/2/92, and incorporated herein by reference.
- (iii) Form of Oppenheimer Fund Management, Inc. Broker Agreement: Filed with Post-Effective Amendment No. 12 to the Registration Statement of Oppenheimer Government Securities Fund (Reg. No. 33-02769), 12/2/92, and incorporated herein by reference.
- (iv) Form of Oppenheimer Fund Management, Inc. Agency Agreement: Filed with Post-Effective Amendment No. 12 to the Registration Statement of Oppenheimer Government Securities Fund (Reg. No. 33-02769), 12/2/92, and incorporated herein by reference.
- (v) Broker Agreement between Oppenheimer Fund Management, Inc. and Newbridge Securities, Inc. dated 10/1/86: Filed as Exhibit 6 of Post-Effective Amendment No. 25 of Oppenheimer Special Fund (Reg. No. 2-45272), 11/1/86, and incorporated herein by reference.
7. Not applicable.
8. Custody Agreement dated 11/12/92, between the Registrant and The Bank of New York: Filed with Registrant's Post-Effective Amendment No. 17, 2/26/93, and incorporated herein by reference.
9. Not Applicable.
10. Opinion and Consent of Counsel dated 2/11/91: Incorporated herein by reference to Registrant's Rule 24f-2 Notice filed on 2/19/91.
11. Not applicable.
12. Not applicable.

13. Not applicable.
14.
 - (i) Form of Individual Retirement Account Trust Agreement: Filed as Exhibit 14 of Post-Effective Amendment No. 21 of Oppenheimer U.S. Government Trust (Reg. No. 2-76645), 8/20/93, and incorporated herein by reference.
 - (ii) Form of prototype Standardized and Non-Standardized Profit-Sharing Plan and Money Purchase Pension Plan for self-employed persons and corporations: Filed with Post-Effective Amendment No. 3 of Oppenheimer Global Growth & Income Fund (File No. 33-33799), 1/31/92, and incorporated herein by reference.
 - (iii) Form of Tax-Sheltered Retirement Plan and Custody Agreement for employees of public schools and tax-exempt organizations: Filed as Exhibit 14 of Post-Effective Amendment No. 22 of Oppenheimer Directors Fund (File No. 2-62240), 2/1/90, and incorporated herein by reference.
 - (iv) Form of Simplified Employee Pension IRA: Filed as an Exhibit to Post-Effective Amendment No. 36 of Oppenheimer Equity Income Fund (Reg. No. 2-33043), 10/23/91, and incorporated herein by reference.
 - (v) Form of SAR-SEP Simplified Employee Pension IRA: Filed herewith.
15.
 - (i) Service Plan and Agreement under Rule 12b-1 of the Investment Company Act of 1940 for Class A shares of Oppenheimer Investment Grade Bond Fund dated 6/22/93: Filed herewith.
 - (ii) Service Plan and Agreement under Rule 12b-1 of the Investment Company Act of 1940 for Class A shares of Oppenheimer Value Stock Fund dated 6/22/93: Filed herewith.
 - (iii) Distribution and Service Plan and Agreement under Rule 12b-1 of the Investment Company Act of 1940 for Class B shares of Oppenheimer Investment Grade Bond Fund dated 6/22/93: Filed herewith.
 - (iv) Distribution and Service Plan and Agreement under Rule 12b-1 of the Investment Company Act of 1940 for Class B shares of Oppenheimer Value Stock Fund dated 6/22/93: Filed herewith.

16. Performance Calculations: To be filed by Amendment.

-- Powers of Attorney and Certified Board Resolution: Filed herewith.

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

None

Item 26. Number of Holders of Securities

Title of Class -----	Number of Record Holders as of _____, 1994 -----
Oppenheimer Investment Grade Bond Fund	
Class A Shares of Beneficial Interest	
Class B Shares of Beneficial Interest	
Oppenheimer Value Stock Fund	
Class A Shares of Beneficial Interest	
Class B Shares of Beneficial Interest	

Item 27. Indemnification

Article IV of Registrant's Declaration of Trust generally provides, among other things, for the indemnification of Registrant's Trustees and officers in a manner consistent with Securities and Exchange Commission Release No. IC-11330.

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

Item 28. (a) Business and Other Connections of Investment Adviser and Sub-Advisers

(i) Oppenheimer Management Corporation ("Oppenheimer") is

the investment adviser of the Registrant; it and certain subsidiaries and its affiliates act in the same capacity to other registered investment companies as described in Parts A and B hereto.

- (ii) Massachusetts Mutual Life Insurance Company ("MassMutual") and Concert Capital Management, Inc. ("Concert Capital"), an indirect wholly owned management subsidiary of MassMutual, are the investment sub-advisers of the Registrant's two series, Oppenheimer Investment Grade Bond Fund and Oppenheimer Value Stock Fund, respectively. MassMutual offers life, health, disability and accumulation products in the personal, business and estate insurance markets. MassMutual and Concert Capital also act as investment advisors to other registered investment companies, a real estate investment trust, certain of MassMutual's insurance company subsidiaries and various employee benefit plans.

(b) Business and Other Connections of Officers and Directors of Investment Adviser and Sub-Adviser

For information as to the business, profession, vocation or employment of a substantial nature of each of the officers and directors of Oppenheimer, MassMutual and Concert Capital, reference is made to Part B of this Registration Statement and to the registrations on Form ADV of Oppenheimer, MassMutual and Concert Capital, filed under the Investment Advisers Act of 1940, which are incorporated herein by reference.

Item 29. Principal Underwriter

- (a) Oppenheimer Funds Distributor, Inc. is the Distributor of the Fund's shares. It is also the Distributor of each of the other registered open-end investment companies for which Oppenheimer Management Corporation is the investment adviser, as described in Parts A and B hereof.
- (b) The information contained in the registration on Form BD of Oppenheimer Funds Distributor, Inc., filed under the Securities Exchange Act of 1934, is incorporated herein by reference.
- (c) Not applicable.

Item 30. Location of Accounts and Records

The accounts, books and other documents required to be maintained by Registrant pursuant to Section 31(a) of the Investment Company Act of 1940 and rules promulgated thereunder are in the possession of both Oppenheimer Management Corporation at its offices at 3410 South Galena Street, Denver, Colorado 80231 and MassMutual at its offices at 1295 State Street, Springfield, Massachusetts 01111.

Item 31. Management Services

Not applicable.

Item 32. Undertakings

(a) Not applicable.

(b) Not applicable.

(c) Not applicable.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and/or the Investment Company Act of 1940, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Denver and State of Colorado on the 1st day of March, 1994.

OPPENHEIMER INTEGRITY FUNDS

/s/ James C. Swain *

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

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

Signatures:	Title	Date
-----	-----	-----
/s/ James C. Swain*	Chairman of the Board	March 1, 1994
----- James C. Swain	of Trustees and Principal Executive Officer	
/s/ Jon S. Fossel*	President and Trustee	March 1, 1994
----- Jon S. Fossel		

EXHIBIT INDEX

Exhibit No.	Document	Sequentially Numbered Page
-----	-----	-----
24(b) (14) (v)	Form of SAR-SEP Simplified Employee Pension IRA	
24(b) (15) (i)	Service Plan and Agreement under Rule 12b-1 of the Investment Company Act for Class A Shares of Oppenheimer Investment Grade Bond Fund dated 6/22/93	
24(b) (15) (ii)	Service Plan and Agreement under Rule 12b-1 of the Investment Company Act for Class A Shares of Oppenheimer Value Stock Fund dated 6/22/93	
24(b) (15) (iii)	Distribution and Service Plan and Agreement under Rule 12b-1 of the Investment Company Act for Class B Shares of Oppenheimer Investment Grade Bond Fund dated 6/22/93	
24(b) (15) (iv)	Distribution and Service Plan and Agreement under Rule 12b-1 of the Investment Company Act for Class B Shares of Oppenheimer Value Stock Fund dated 6/22/93	
--	Powers of Attorney and Certified Board Resolution	

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By establishing a Simplified Employee Pension Plan (SEP-IRA) or a Salary Reduction Simplified Employee Pension Plan (SAR-SEP) your employer is offering you a valuable benefit - helping you to build a retirement account for your future financial security.

This brochure is designed to explain and summarize the important features of the SEP plan your employer has established. If you take the time to review this booklet you will quickly realize what a valuable benefit SEPs are. Why not join the thousands of other employees who are already building a retirement nest egg by participating in their employer sponsored SEP-IRA or SAR-SEP plan?

SEP DISCLOSURE INFORMATION

A Simplified Employee Pension Plan, or SEP, is an arrangement allowing employers to make contributions toward their employees' retirement savings without becoming involved in more complex retirement plans. With a SEP, an employer can make contributions directly to each employee's Individual Retirement Account (IRA). The IRA to which the employer contributes is referred to as a SEP-IRA.

An employer who signs a SEP Agreement is not required by law to make any contribution to the SEP-IRAs of eligible employees. However, if any contributions are made, contributions must be made for all eligible employees and may not discriminate in favor of highly compensated employees.

The employer's SEP contribution is excluded from each employee's gross income reported on Form W-2 for Federal income tax purposes. However, the employer will provide a statement to each employee showing the amount of the SEP contribution. If an eligible employee makes less than \$300 (as annually adjusted for inflation by the IRS) in the year for which the contribution is made, the employer may not be required to make a SEP contribution on behalf of that employee.

The participation requirements selected by the employer cannot be more restrictive than the law provides, but they can be less restrictive. The law provides that all employees who are at least 21 years old and have worked for the employer for some period of time (however short) in any three of the immediately preceding five years, are eligible to receive SEP contributions. Certain nonresident aliens, and certain union employees who have already negotiated with respect to retirement benefits may be excluded from participation.

This information and the following "Questions and Answers" are intended to provide you with a basic understanding of what a SEP is and how it works. An employee who has unresolved questions concerning SEPs should call the Federal tax information number listed in the telephone directory or seek advice from his attorney or accountant.

1) Q. Who controls my SEP-IRA?

A. You own and control your SEP-IRA. Your employer sends SEP contributions to the financial institution in which your IRA is maintained, but SEP contributions become your property when they are invested in your IRA. However, you may incur a tax penalty if you withdraw funds from your IRA earlier than allowed by law. (See Question 10.)

2) Q. Must my employer contribute to my IRA under the SEP?

A. Unless the SEP is "top-heavy" as explained in the SEP document, there is no statutory requirement that an employer make or maintain a particular level of contributions and it is possible for the contributions

to be discretionary. Therefore, whether or not your employer must make a SEP contribution depends on the SEP contribution agreement adopted and any "top-heavy" contribution which may be required. However, if a contribution is made under the SEP, it must be allocated to all eligible employees according to the SEP Agreement.

3) Q. How much may my employer contribute to my SEP-IRA in any year?

A. Employer contributions to a SEP on your behalf for any year cannot exceed the lesser of 15% of your compensation for that year or \$30,000 (or such other amount as determined by the Secretary of the Treasury). The compensation used to determine this limit does not include any amount which is contributed by your employer to your SEP-IRA (including amounts contributed pursuant to a salary reduction agreement). In addition, the maximum amount of compensation which can be used to determine contributions to a SEP-IRA on behalf of an employee is limited to \$200,000 (or such other amount as determined by the Secretary of the Treasury). Effective for plan years beginning after 1993, this limit is reduced to \$150,000 (or such other amount as determined by the Secretary of the Treasury).

4) Q. How do I treat my employer's SEP contributions for my taxes?

A. The amount your employer contributes to your SEP-IRA is excludable from your gross income for Federal income tax purposes and is not shown as taxable wages on your Form W-2.

5) Q. May I also contribute to an IRA if my employer has signed a SEP Agreement?

A. You may make contributions to the SEP-IRA maintained by your employer. Alternatively, you may find it to your advantage to make contributions to an IRA other than the SEP-IRA. Other IRAs may provide different rates of return or may have different, or more beneficial terms, such as favorable transfer and withdrawal provisions. You may contribute to the SEP-IRA, or to any other IRA you establish, an amount not exceeding the lesser of \$2,000 or 100% of your compensation. However, the amount that is deductible is subject to various limitations. See IRS Publication 590 for more specific information.

6) Q. Can SEP contributions be deposited in any IRA?

A. SEP contributions may be deposited in any IRA. However, the SEP Agreement and the IRA into which your SEP contributions are deposited must satisfy all statutory and regulatory requirements to ensure that otherwise proper contributions are excludible from your income. Although there is no requirement that the printed language of SEPs and IRAs be reviewed by the IRS, many of them have been reviewed and the IRS has issued letters as to their technical sufficiency. These IRS letters are normally reprinted and made a part of the SEP or IRA package the employer or financial institution gives you. The IRS has also issued a model SEP Agreement and model IRAs that are available for use by the public and the printed language may be relied on as technically sufficient if they are executed without change. If the printed language of the model is reproduced, the reproduction can also be relied on as technically sufficient (even if its derivation from an IRS form is not mentioned). However, in all cases, the SEP and the IRA it modifies (whether or not models) must also be operated and maintained in accordance with their respective terms, current statutes and regulations in order to be assured that proper contributions will be excludible from your income. (Also see Question 7.)

7) Q. My spouse and I both have IRAs. Can my employer contribute the SEP contribution to my spouse's IRA?

A. Although there is no direct prohibition against this, it may result in adverse tax consequences. A transaction of this sort could result in complex tax consequences requiring professional advice.

8) Q. What happens if I don't want a SEP-IRA?

A. Your employer may require that you become an arrangement as a condition of employment. However, if the employer does not require all eligible employees to become participants and an eligible employee elects not to participate, all other employees may be prohibited from entering into a SEP-IRA arrangement with that employer. If one or more eligible employees do not participate and the employer attempts to establish a SEP-IRA agreement with the remaining employees the resulting arrangement may result in adverse tax consequences to the participating employees. Under certain circumstances the employer can establish a SEP-IRA on behalf of an employee who refuses to establish a SEP-IRA for himself to ensure that the SEP established by the employer meets the requirements of the law regarding participation by all eligible employees. (Also see Question 14.)

9) Q. Can I move funds from my SEP-IRA to another IRA?

A. Yes, it is permissible for you to withdraw or receive funds from your SEP-IRA, and no more than 60 days later, place such funds in another

IRA, or SEP-IRA. This is called a "rollover" and may not be done without penalty more frequently than at one-year intervals. You can also make a transfer of funds between IRA trustees or custodians. There are no restrictions on the number of times you may make "transfers" if you arrange to have such funds transferred between the trustees, so that you never have actual possession of the funds.

10) Q. What happens if I withdraw my employer's SEP contribution from my IRA?

A. If you don't want to leave the employer's SEP contribution in your IRA, you may withdraw it at any time, but any amount withdrawn (and not "rolled over") is includible as current income. Also, if withdrawals occur before you reach age 59½, and are not on account of death or disability or payable in systematic installments over your life expectancy or you and your designated beneficiary's joint life expectancy, you may be subject to the imposition of a penalty tax. (Also see Question 12.)

11) Q. May I participate in a SEP even though I'm covered by another plan?

A. Yes. You can participate in a SEP (other than a model SEP) even though you participate in another plan maintained by the same employer. However, if you participate in a SEP and another retirement or profit-sharing plan sponsored by your employer or a group of employers treated as one employer under the Internal Revenue Code, the benefits under all such plans are combined and treated as one plan subject to certain limitations described in Section 415 of the Code. If you work for several employers, you may be covered by the SEP of one employer and a pension or profit-sharing plan of another employer. (Also see Question 12.)

12) Q. What happens if too much is contributed to my SEP-IRA in any one year?

A. Any excess contribution by you or your employer that is more than the yearly limitations may be withdrawn without penalty by the due date (plus extensions) for filing your tax return (normally April 15th), but is includable in your gross income. Excess contributions left in your SEP-IRA account after that time are subject to a 6% excise tax. Furthermore, late withdrawal of excess contributions may be taxed as a premature withdrawal. (Also see Question 10.)

13) Q. Do I need to file any additional forms with the IRS because I participate in a SEP?

A. No.

14) Q. Is my employer required to provide me with information about SEP-IRAs and the SEP Agreement?

A. Yes. In addition to the SEP Disclosure Information contained in this document, your employer or plan administrator must provide you with the following information:

(a) At the time you become eligible to participate in the SEP, your employer or plan administrator must inform you in writing that a SEP Agreement has been adopted and state which employees may participate, how employer contributions are allocated, and who can provide you with additional information.

(b) Your employer or plan administrator must inform you in writing of all employer contributions to your SEP-IRA. This information must be supplied by January 31st of the year following the year the contribution is made, or 30 days after the contribution is made, whichever is later.

(c) If your employer amends the SEP, or replaces it with another SEP, the employer or plan administrator must furnish a copy of the amendment or new SEP with a clear written explanation of its terms and effects to each participant within 30 days of the date the SEP or amendment becomes effective.

(d) If your employer selects or recommends the IRAs into which the SEP contribution will be deposited (or substantially influences you or other employees to choose them), your employer or plan administrator must ensure that a clear written explanation of the terms of those IRAs is provided at the time each employee becomes eligible to participate. The explanation must include information about the terms of those IRAs such as rates of return, and any restrictions on a participant's ability to "rollover," transfer, or withdraw funds from the IRAs including restrictions that allow rollovers or withdrawals but reduce earnings of the IRAs or impose other penalties.

(e) If your employer selects, recommends, or substantially influences you to choose a specific IRA and the IRA prohibits the withdrawal of funds, your employer or plan administrator may be required to provide you additional information. Regulations promulgated by the Department of Labor under Title I of the Employee Retirement Income Security Act of 1974 (ERISA), should be consulted in this regard.

15) Q. Is the financial institution where I establish my IRA also required to provide me with information?

A. Yes, it must provide you with a disclosure statement which contains the following items of information in plain, nontechnical language:

- (1) the statutory requirements which relate to your IRA;
- (2) the tax consequences which follow the exercise of various options and what those options are;
- (3) participation eligibility rules, and rules on deductibility and nondeductibility of retirement savings;
- (4) the circumstances and procedures under which you may revoke your IRA, including the name, address, and telephone number of the person designated to receive your notice of revocation (this explanation must be prominently displayed at the beginning of the disclosure statement);
- (5) explanations of when penalties may be assessed against you because of specified prohibited or penalized activities concerning your IRA; and
- (6) financial disclosure information which:
 - (a) either projects value growth rates of your IRA under various contribution and retirement schedules, or describes the method of computing and allocating annual earnings and charges which may be assessed;
 - (b) describes whether, and for what period, the growth projections for the plan are guaranteed, or a statement of the earnings rate and terms on which the projection is based;
 - (c) states the sales commission to be charged in each year expressed as a percentage of \$1,000; and
 - (d) states the proportional amount of any nondeductible life insurance which may be a feature of your IRA.

See Publication 590, Individual Retirement Arrangements (IRA's), available at most IRS offices, for a more complete explanation of the disclosure requirements. In addition to this disclosure statement, the financial institution is required to provide you with an account statement each year. It may be necessary to retain and refer to statements for more than one year in order to evaluate the investment performance of the IRA and in order that you will know how to report IRA distributions for tax purposes.

16) Q. Can SEP contributions be coordinated with employer contributions to Social Security?

A. Although employer contributions under the SEP Agreement must bear a uniform relationship to employees' compensation, your employer may coordinate contributions to the SEP by a percentage of the amount paid on your behalf with respect to the Old Age Insurance portion of the Social Security tax. This reduction may substantially reduce the allocation you would otherwise receive. This is called "integration" with Social Security and is permissible only if certain statutory requirements are satisfied. If your employer chooses to integrate the SEP with Social Security, the SEP allocation information your employer provides you must clearly show the integration formula.

INVESTING WITH OPPENHEIMERFUNDS

OppenheimerFunds brings over 30 years of experience to managing mutual funds. Today, Oppenheimer Management Corporation, the investment advisor to the OppenheimerFunds and its subsidiaries manage over \$24 billion in assets, held in over 1.8 million shareholder accounts.

Whatever your investment objective, OppenheimerFunds offers a variety of funds ranging from very conservative to highly aggressive. Described in detail below, is a comprehensive range of OppenheimerFunds that will allow you and your employees to invest to seek to meet their financial objectives from today through retirement.

Aggressive Growth Funds

These funds are designed to provide the highest possible level of capital growth by investing in common stocks. They are most suitable for aggressive investors who plan to hold their investment for the longer term and generally are willing to assume higher risks in the pursuit of greater rewards. Aggressive growth funds are not designed to provide current income.

Discovery Fund. Invests in emerging growth stocks, which may be traded on the over-the-counter market or listed on a major exchange.

Target Fund. Invests in a diversified portfolio of stocks with above-average growth potential.

Time Fund. Seeks capital appreciation primarily through a flexible investment approach; may invest in cyclical industries, special situations and companies with new products or services.

Growth Funds

These funds seek capital through carefully selected portfolios of securities. They are designed for investors looking for solid capital appreciation potential over the medium to long term. For some growth funds, income is a secondary objective.

Special Fund. Generally invests in securities of larger companies that appear to be undervalued or are exhibiting positive earnings growth potential.

Oppenheimer Fund. Seeks capital growth accompanied by some growth in income, through investments in carefully selected, well-established companies.

Value Stock Fund. Seeks long-term growth of capital and income primarily through investment in dividend-paying stocks of well-established, large capitalization companies.

Growth & Income Funds

These funds seek a high total investment return through a combination of capital appreciation and income. They are designed for conservative investors looking for a steady investment approach.

Main Street Income & Growth Fund. Invests in dividend paying stocks, bonds, convertible securities and money market instruments. It is designed to provide investors with a high total return over time through a combination of current income and long-term capital appreciation.

Total Return Fund. Invests in a dynamic combination of growth-oriented common stocks and income-oriented securities seeking to provide a high total return.

Asset Allocation Fund. Seeks a high return through strategic allocation of the Fund's assets among common stocks, investment-grade bonds and money market instruments.

Equity Income Fund. Seeks a total return through a primary objective of current income and a secondary objective of conserving capital while providing an opportunity for growth. Invests in high dividend-paying stocks and fixed income securities.

Income Funds

These funds are designed to provide high current income from a diversified portfolio or fixed income securities.

High Yield Fund. Seeks high monthly income from a portfolio of high-yielding corporate bonds.

Champion High Yield Fund. Seeks high current income by investing in a diversified portfolio of lower-rated, higher yielding corporate bonds.

Strategic Income & Growth Fund. Using the strategic allocation techniques, seeks a primary objective of current income and a secondary objective of capital appreciation.

Strategic Income Fund. Seeks high monthly income from a portfolio of international fixed income securities, U.S. government securities and high-yielding corporate bonds, and by writing covered call options.

Strategic Investment Grade Bond Fund. Using the strategic allocation techniques, seeks high current income consistent with stability of principal from a portfolio of investment-grade securities.

Strategic Short-Term Income Fund. Using the strategic allocation technique, seeks high current income consistent with stability of principal from short-term investment-grade securities.

Investment-Grade Bond Fund. Seeks high current income consistent with stability of capital from a portfolio of investment-grade corporate debt securities, U.S. government securities and money market instruments.

Mortgage Income Fund. Seeks high current income, capital preservation and liquidity through investments primarily in mortgage income securities.

U.S. Government Trust. Seeks high current income, consistent with capital preservation and liquidity, from investments in U.S. government securities.

Government Securities Fund. Seeks high current return and safety of principal.

Money Market Fund. Invests in money market instruments for safety of principal plus current income.

Cash Reserves. Seeks maximum current income consistent with stability of principal through a portfolio of money market securities.

Special Opportunities
These funds are designed for investors who want to diversify their investment portfolios to take advantage of specific growth opportunities.

Global Fund. Seeks capital appreciation by investing in a globally diversified portfolio of common stocks.

Global Environment Fund. Seeks capital appreciation through investment principally in companies which contribute to a cleaner and healthier environment.

Global Bio-Tech Fund. Seeks capital appreciation by investing in biotechnology companies.

Gold & Special Minerals Fund. Seeks capital appreciation through securities of companies in the gold and minerals industries. Designed to provide a long-term hedge against inflation.

Global Growth & Income Fund. Seeks capital appreciation consistent with preservation of principal while providing current income. Invests in foreign as well as domestic stocks, securities acquired to produce income, or a combination of both.

Ask your financial advisor for a prospectus of the fund(s) selected. The prospectus contains more complete information, including all charges and expenses. Read it carefully before you invest or send money.

HOW TO ESTABLISH YOUR SEP-IRA OR SAR-SEP ACCOUNT

Simply follow these three steps to establish your OppenheimerFunds SEP-IRA or SAR-SEP account:

Step #1:
Review "Understanding Your Employer's Simplified Employee Pension Plan" brochure along with the OppenheimerFunds IRA Kit which includes the IRA Application, Trust Agreement and Disclosure Statement.

Step # 2:
Complete the OppenheimerFunds IRA Application. Be sure to indicate whether your account is a SEP-IRA or SAR-SEP on the IRA Application.

For SAR-SEP plans only:
Complete the OppenheimerFunds Salary Reduction Agreement in addition to the IRA Application provided to you by your employer.

Step # 3:
Return your completed IRA Application and Salary Reduction Agreement (if establishing a SAR-SEP) to your employer.

OPPENHEIMERFUNDS SIMPLIFIED EMPLOYEE PENSION SALARY REDUCTION AGREEMENT

This Agreement is entered into between _____
(Employee)
and _____
(Employer)

Effective _____, the Employer is authorized to reduce my Compensation:

(check one)

by _____ percent (____%), or

by \$_____

[Note (to be completed by the Employer for the benefit of the Employee): You must select a percentage in increments of ____%. A reduction in your salary for any Plan Year may not exceed ____% of your Compensation for that Plan Year. Furthermore, a reduction in your salary for any calendar year (irrespective of the plan year) may not exceed \$_____.]

The Employer will deduct from my pay on a

(check one)

weekly basis

bi-weekly basis

monthly basis

_____ basis

an amount from my Compensation for such period equal to the percentage or the dollar amount by which I have elected to reduce my Compensation in this Agreement. I direct the Employer to invest all of the contributions as indicated below:

Name of Fund(s)*	Dollars Per Pay Period (\$25 minimum cont. per fund)
	\$
	\$
	\$
	\$
Total	\$

*See the list of OppenheimerFunds available for SAR-SEP investments on page 9 of this booklet.

In executing this Agreement, the undersigned understands:

1) The Employer will contribute to my SEP-IRA by the amount which I have reduced my Compensation under this Agreement (my "elective deferrals"). "Compensation" means my total wages from the Employer, including bonuses, commissions or overtime, and any other payments includable in my gross income, but does not include any amounts in excess of \$200,000 (as annually adjusted for inflation by the IRS). My elective deferrals are not subject to federal income tax until distributed from the Plan, but my elective deferrals are subject to Social Security taxes. The Employer shall deduct from my remaining Compensation my Social Security tax liability on my elective deferrals. (Choose a or b)

(a) The Employer is authorized to apply the reduction percentage or dollar amount I have indicated above to all my Compensation during the specified period, including bonuses.

(b) The Employer is authorized to apply the reduction percentage or dollar amount I have indicated above to all my Compensation during the specified period, except bonuses.

2) This Agreement shall remain in effect until I revoke the Agreement. I may revoke my Salary Reduction Agreement as of _____. Once I revoke my (to be completed by Employer) Agreement, I may not file a new Agreement with an effective date earlier than _____.
(to be completed by Employer)

3) I may modify my salary reduction percentage or dollar amount as of _____.
(to be completed by Employer)

4) If I enter into a Salary Reduction Agreement subsequent to the date of this Agreement, it shall act as a revocation of this Agreement.

5) This Agreement is subject to approval by the Employer, which the Employer will indicate by executing this Agreement. At least 50% of all Employees must agree to make elective deferrals for a particular Plan Year or this Agreement will not be effective for that Plan Year, irrespective of whether the Employer approves the Agreement. If the Plan does not satisfy this 50% participation requirement, the Employer will refund to me any Compensation it has withheld from me.

SIGNATURES:

Participant: _____

Dated: _____

Employer

By: _____

Title: _____

Dated: _____

Please return this form to the Employer

[Note to Employer: In the "Note" following the selection of the deferral percentage, the Employer should complete the dollar limit for a calendar year with the adjusted limitation prescribed by the Secretary of the Treasury under Code section 402(g).

The information to be included in paragraphs 2 and 3 above can be found in Section 4 of the Adoption Agreement.]

NOTICE TO EMPLOYEES

The following information explains what a simplified employee pension plan ("SEP") is, how contributions are made, and how to treat these contributions for tax purposes. For more specific information, refer to the SEP agreement itself.

I. SIMPLIFIED EMPLOYEE PENSION PLAN - DEFINED

A SEP is a retirement income arrangement. In this "elective" SEP, you may choose to defer compensation to your own Individual Retirement Account or Annuity ("IRA"). You may base these "elective deferrals" either on a salary reduction arrangement or on bonuses that, at your election, may be contributed to an IRA or received in cash. This type of elective SEP is available only to an employer with 25 or fewer eligible employees.

Your employer must provide you with a copy of the SEP agreement containing eligibility requirements and a description of the basis upon which contributions may be made.

All amounts contributed to your IRA belong to you, even after you quit working for your employer.

II. ELECTIVE DEFERRALS - MAY BE DISALLOWED

You are not required to make elective deferrals to this SEP-IRA. However, if more than half of your employer's eligible employees choose not to make elective deferrals in a particular year, then no employee may participate in your employer's elective SEP for that year. If you make elective deferrals during a year in which this happens, then your deferrals for that year will be "disallowed", and the deferrals will be considered ordinary IRA contributions (which may be excess IRA contributions) rather than SEP-IRA contributions.

"Disallowed deferrals" and allocable income may be withdrawn, without penalty, until April 15 following the calendar year in which you are notified of the "disallowed deferrals". Amounts left in the IRA after that date will be subject to the same penalties discussed in Section VII below applicable to excess SEP contributions.

III. ELECTIVE DEFERRALS ANNUAL LIMITATION

The maximum amount that you may defer to this SEP for any calendar year is limited to the lesser of fifteen percent of compensation (determined without including the SEP-IRA contribution) or a dollar limit under section 402(g) of the Internal Revenue Code that originally was \$7,000 (and is now subject to cost-of-living increases).

The fifteen percent limit may be reduced if your employer also maintains a SEP to which non-elective contributions are made for a plan year, or any qualified plan to which contributions are made for such plan year. In that case, total contributions on your behalf to all such SEPs and qualified plans may not exceed the lesser of \$30,000 or fifteen percent of your compensation. If these limits are exceeded, the amount you may elect to contribute to this SEP for the year will be correspondingly reduced.

The dollar limit under section 402(g) of the Code is an overall limit on the maximum amount that you may defer in each calendar year to all elective SEPs and cash or deferred arrangements under section 401(k) of the Code, regardless of how many employers you may have worked for during the year.

The section 402(g) limit is indexed according to the cost of living. In addition, the section 402(g) limit may be increased to \$9,500 if you make salary reduction contributions under a section 403(b) tax-sheltered annuity arrangement.

If you are a highly compensated employee, there may be a further limit on the amount that you may contribute to a SEP-IRA for a particular year. This limit is calculated by your employer and is known as the "deferral percentage limitation". The deferral percentage limitation is based on a mathematical formula that limits the percentage of pay that highly compensated employees may elect to defer to a SEP-IRA. As discussed below, your employer will notify each highly compensated employee who has exceeded the deferral percentage limitation.

IV. ELECTIVE DEFERRALS - TAX TREATMENT

The amount that you may elect to contribute to your SEP-IRA is excludible from gross income, subject to the limitations discussed above, and is not includible as taxable wages on Form W-2. However, these amounts are subject to FICA taxes.

V. ADDITIONAL TOP-HEAVY CONTRIBUTIONS

If you are not a "key employee", your employer must make an additional contribution to your SEP-IRA for a year in which the SEP is considered "top-heavy". (Your employer will be able to tell you whether you are a key employee.) This additional contribution will not exceed three percent of your compensation. It may be less if your employer has already made a contribution to your account, and for certain other reasons.

VI. ELECTIVE DEFERRALS - EXCESS AMOUNT CONTRIBUTED

There are three different situations in which impermissible excess amounts are made under the SEP-IRA.

The first way is when "excess elective deferrals" (i.e., amounts in excess of the section 402(g) limit) are made. You are responsible for calculating whether you have exceeded the section 402(g) limit in the calendar year. For 1993, the section 402(g) limit for contributions made to an elective SEP is \$8,994.

The second way is when "excess SEP contributions" (i.e., amounts in excess of the deferral percentage limitation referred to above) are made by highly compensated employees. The employer is responsible for determining whether such an employee has made excess contributions.

The third way is when more than half of an employer's eligible employees choose not to make elective deferrals for a plan year. In that case, any elective deferrals made by any employees for that year are considered "disallowed deferrals", as discussed above. Your employer is also responsible for determining whether deferrals must be disallowed on this basis.

Excess elective deferrals are calculated on the basis of the calendar year. Excess SEP contributions and disallowed deferrals, however, are calculated on the basis of the SEP plan year, which may or may not be a calendar year.

VII. EXCESS ELECTIVE DEFERRALS - HOW TO AVOID ADVERSE TAX CONSEQUENCES

Excess elective deferrals are includible in your gross income in the calendar year of deferral. Income on the excess elective deferrals is includible in your gross income in the year of withdrawal from the IRA. You must withdraw excess elective deferrals under this SEP, and any allocable income, from your SEP-IRA account by April 15 following the year to which the deferrals relate in order to avoid penalty taxes. These amounts may not be transferred or rolled over tax-free to another SEP-IRA.

If you fail to withdraw excess elective deferrals, and any allocable income, by April 15, the excess elective deferrals will be subject to the IRA contribution limitations of section 219 and 408 of the Code and thus may be considered an excess contribution to your IRA. Such excess deferrals may be subject to a six percent excise tax for each year they remain in the SEP-IRA.

Income on excess elective deferrals is includible in your gross income in the year you withdraw it from your IRA and must be withdrawn by April 15 following the calendar year to which the deferrals relate. Income withdrawn from your IRA after that date may be subject to a ten percent tax on early distribution if you are not age 59 1/2.

If you have both excess elective deferrals and excess SEP contributions (as described below), the amount of excess elective deferrals that you withdraw by April 15 will reduce any excess SEP contribution that must be withdrawn for the corresponding plan year.

VIII. EXCESS SEP CONTRIBUTION - HOW TO AVOID ADVERSE TAX CONSEQUENCES

If you are a "highly compensated employee", your employer is responsible for notifying you if the employer has made any excess SEP contributions for a particular plan year. This notification should tell you the amount of the excess SEP contributions, the calendar year in which you must include these contributions in income, and that the contributions

may be subject to penalties if you do not withdraw them from your IRA within the applicable time period.

Your employer should notify you of the excess SEP contributions within 2-1/2 months of the end of the plan year. Generally you must include the excess SEP contributions in income for the calendar year in which the original deferrals were made. This may require you to file an amended individual income tax return. However, an excess SEP contribution of less than \$100 (not including earnings) is includible in the calendar year of notification. Income on these excess contributions is includible in your gross income when you withdraw it from your IRA.

You are responsible for withdrawing these excess SEP contributions (and earnings) from your IRA. You may withdraw these amounts, without penalty, until April 15 following the calendar year in which you were notified by your employer of the excess SEP contribution.

If you fail to withdraw the excess SEP contributions by April 15 following the calendar year of notification, the excess SEP contributions will be subject to the IRA contribution limitations of sections 219 and 408 of the Code and thus may be considered an excess contribution to your IRA. Thus, such excess SEP contributions may be subject to a six percent excise tax for each year they remain in your IRA.

If you do not withdraw the income on these excess SEP contributions by April 15 following the calendar year of notification by your employer, the income may be subject to a ten percent tax on early distribution if you are not age 59 1/2 when you withdraw it.

IX. INCOME ALLOCABLE TO EXCESS AMOUNTS

The rules for determining and allocating income to excess elective deferrals, excess SEP contributions, and disallowed deferrals are the same as those governing regular IRA contributions. The trustee or custodian of your SEP-IRA will inform you of the income allocable to excess amounts.

X. AVAILABILITY OF IRA CONTRIBUTION DEDUCTION TO SEP PARTICIPANTS

In addition to any SEP contributions, you may contribute the lesser of \$2,000 or 100% of compensation to an IRA. However, the amount that you may deduct is subject to various limitations. See Publication 590, "Individual Retirement Arrangements", for more specific information.

XI. SEP-IRA AMOUNTS - ROLLOVER OR TRANSFER TO ANOTHER IRA

You may not withdraw or transfer from your SEP-IRA contributions (or income on these contributions) attributable to elective deferrals made during the plan year until 2-1/2 months after the end of the plan year or, if sooner, when your employer notifies you that the deferral percentage limitation test (described above) has been completed for that year. In general, any transfer or distribution made before this time will be includible in your gross income and may also be subject to a ten percent penalty tax for early withdrawal. You may, however, remove excess elective deferrals from your SEP-IRA before this time, but you may not roll over or transfer these amounts to another IRA.

After the restriction described in the preceding paragraph no longer applies, and with respect to contributions for a previous plan year, you may withdraw, or receive, funds from your SEP-IRA, and no more than 60 days later, place such funds in another IRA or SEP-IRA. This is called a "rollover" and may not be done without penalty more frequently than once per year. However, there are no restrictions on the number of times that you may make "transfers" if you arrange to have such funds transferred between the trustees so that you never take possession of the funds.

You may not however, roll over or transfer excess elective deferrals, excess SEP contributions, or disallowed deferrals from your SEP-IRA to another IRA. These excess amounts may be reduced only by a distribution to you.

XII. FILING REQUIREMENTS

You do not need to file any additional forms with the IRS because of participation in the SEP.

XIII. EMPLOYER TO PROVIDE INFORMATION ON SEP-IRAS AND THE SEP AGREEMENT

Your employer must provide you with a copy of the executed SEP agreement, this Notice to Employees, the Salary Deferral Form, the notice of excess SEP contributions or disallowed deferrals (if applicable) and a statement for each taxable year showing any contribution to your SEP-IRA. Your employer must also notify you, if you are a highly compensated employee, when the deferral percentage limitation test has been completed for a plan year.

XIV. FINANCIAL INSTITUTION WHERE IRA IS ESTABLISHED

TO PROVIDE INFORMATION

The financial institution must provide you with a disclosure statement that contains the following items of information in plain nontechnical language.

1. The statutory requirements that relate to the IRA;
2. The tax consequences that follow the exercise of various options and what those options are;
3. Participation eligibility rules, and rules on the deductibility and nondeductibility of retirement savings;
4. The circumstances and procedures under which you may revoke the IRA, including the name, address, and telephone number of the person designated to receive notice of revocation (this explanation must be prominently displayed at the beginning of the disclosure statement);
5. Explanations of when penalties may be assessed against you because of specified prohibited or penalized activities concerning the IRA; and
6. Financial disclosure information which:
 - a) Either projects value growth rates of the IRA under various contribution and retirement schedules, or describes the method of computing and allocating annual earnings and charges which may be assessed;
 - b) Describes whether, and for what period, the growth projections for the plan are guaranteed, or a statement of earnings rate and terms on which these projections are based; and
 - c) States the sales commission to be charged in each year expressed as a percentage of \$1,000.

See Publication 590, "Individual Retirement Arrangements", which is available at most IRS offices, for a more complete explanation of the disclosure requirements.

In addition to the disclosure statement, the financial institution is required to provide you with a financial statement each year. It may be necessary to retain and refer to statements for more than one year in order to evaluate the investment performance of your IRA and in order that you will know how to report IRA distributions for tax purposes.

OPPENHEIMERFUNDS

PROTOTYPE SIMPLIFIED EMPLOYEE PENSION PLAN

Terms and Conditions

ARTICLE 1 - INTRODUCTION

By executing the related Adoption Agreement, the Employer has established a simplified employee pension plan intended to be in accordance with Code Section 408(k), as amended from time to time.

ARTICLE 2 - DEFINITIONS

2.1 "Account" means an OppenheimerFunds Individual Retirement Account which meets the requirements of Code Section 408(a).

2.2 "Adoption Agreement" means the accompanying instrument executed by the Employer which establishes a definite, written allocation formula and participation requirements and whereby the Plan is adopted.

2.3 "Code" means the Internal Revenue Code of 1986, as amended.

2.4 "Compensation" means:

(a) Wages, salaries, and fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan to the extent that the amounts are includable in gross income (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements, or other expense allowances under a nonaccountable plan (as described in Section 1.61-2(c) of the Regulations), and excluding the following:

(i) Employer contributions to a plan of deferred compensation which are not includable in the Employee's gross income for the taxable year in which contributed, or Employer contributions under a

simplified employee pension plan, or any distributions from a plan of deferred compensation;

(ii) Amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;

(iii) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and

(iv) Other amounts which receive special tax benefits or contributions made by the Employer towards the purchase of an annuity contract described in Code Section 403(b) (whether or not the contributions are actually excludable from the gross income of the Employee).

(b) For self-employed individuals covered under the Plan, Compensation will mean earned income as defined in Code Section 401(c)(2).

(c) Compensation shall only include that Compensation which is actually paid to the Participant during the year.

(d) Notwithstanding paragraph (a), above, Compensation shall include any amount which is contributed by the Employer pursuant to a salary reduction agreement and which is not includable in the gross income of the Employee under Code Sections 125, 402(a)(8), 402(h) or 403(b).

(e) The annual Compensation of each Participant taken into account under the Plan for any year shall not exceed \$200,000 (as adjusted annually in accordance with Code Section 408(k)(8)). The dollar increase in effect on January 1 of any calendar year is effective for years beginning in such calendar year and the first adjustment to the \$200,000 limitation is effective on January 1, 1990. If a Plan determines Compensation on a period of time that contains fewer than 12 calendar months, then the annual Compensation is an amount equal to the annual Compensation limit for the calendar year in which the Compensation period begins multiplied by the ratio obtained by dividing the number of full months in the period by 12.

2.5 "Deferral Percentage" means the ratio (expressed as a percentage) of the sum of the Elective Deferrals under the Plan on behalf of an Employee for the Plan Year to the Employer's Compensation for the year. The Deferral Percentage of an Employee who is eligible to make Elective Deferrals, but who does not make a deferral during the year, is zero.

2.6 "Elective Deferrals" means contributions made during the Plan Year by the Employer, at the election of the Participant, in lieu of cash compensation and shall include contributions made pursuant to a salary reduction agreement.

2.7 "Employee" means any individual who is employed by the Employer.

2.8 "Employer" means each person or organization who adopts this Plan by executing an Adoption Agreement, and any other person or organization which is a member with the Employer of the same controlled group of corporations as defined in Code Section 414(b), which is a trade or business (whether or not incorporated) under the same common control as defined in Code Section 414(c) or which is a member of an affiliated service group within the meaning of Code Section 414(m) or any entity required to be aggregated with the Employer under Code Section 414(o).

2.9 "Employer Contributions" means contributions made by the Employer which are not Elective Deferrals.

2.10 "Highly Compensated Employee" means an individual defined in Code Section 414(q) who during the current or preceding year: (a) was a 5% owner of the Employer as defined in Code Section 416(i)(1)(B)(i); (b) received Compensation in excess of \$50,000, as adjusted pursuant to Code Section 415(d), and was in the top-paid group (the top 20% of Employees by Compensation); (c) received Compensation in excess of \$75,000, adjusted pursuant to Code Section 415(d); or (d) was an officer and received Compensation in excess of 50% of the dollar limit under Code Section 415 for defined benefit plans.

2.11 "Family Member" means an individual who is related to a Highly Compensated Employee as a spouse or as a lineal ascendant (such as a parent or grandparent) or descendant (such as a child or grandchild) or spouse of either of those, in accordance with Code Section 414(q) and the regulations thereunder.

2.12 "Integration Level" means the lesser of the Taxable Wage Base or the amount elected by the Employer in the Adoption Agreement.

2.13 "Key Employee" means any Employee or former Employee who at any time during the Plan Year or any of the four preceding Plan Years is:

(a) an officer of the Employer if such individual's annual Compensation is greater than 50% of the amount in effect under Code Section 415(b)(1)(A);

(b) one of ten Employees having annual Compensation from the Employer of more than the limitation in effect under Code Section 415(c)(1)(A) and owning (or considered an owner under Code Section 318) the largest interests in the Employer, or exceeds the dollar limitation under Code Section 415(c)(1)(A);

(c) a 5% owner of the Employer; or

(d) a 1% owner of the Employer who has an annual Compensation of more than \$150,000.

The determination of who is a Key Employee will be made in accordance with Code Section 416(i)(1) and the regulations thereunder.

2.14 "Maximum Disparity Rate" is equal to the lesser of:

(a) 2.7%, or

(b) the applicable percentage determined in accordance with the table below:

If the Integration Level:

is more than	but not more than	the applicable percentage is:
\$0	X*	2.7%
X*	80% of Taxable Wage Base	1.3%
80% of Taxable Wage Base	Y**	2.4%

TWB = Taxable Wage Base
X* = The greater of \$10,000 or 20% of the Taxable Wage Base
Y** = Any amount more than 80% of the Taxable Wage Base but less than 100% of the Taxable Wage Base.

If the Integration Level used is equal to the Taxable Wage Base, the applicable percentage is 2.7%. For purposes of the above allocation, only the first \$200,000 (as adjusted annually in accordance with Code Section 408(k)) of a Participant's Compensation can be used. In no event can the amount allocated to each Participant's Account exceed the lesser of 15% of the first \$200,000 of Compensation or \$30,000.

2.15 "Non-Highly Compensated Employee" means an Employee of the Employer who is neither a Highly Compensated Employee nor a Family Member.

2.16 "Non-Key Employee" means any Employee who is not a Key Employee.

2.17 "Owner-Employee" means an individual who owns more than 10% of either the capital interest or profits interest of the Employer which is an unincorporated business.

2.18 "Participant" means an Employee who meets the eligibility requirements specified in the Adoption Agreement.

2.19 "Plan" means this simplified employee pension plan as established in accordance with the Adoption Agreement.

2.20 "Plan Year" means the calendar year ending each December 31st, or at the election of the Employer, the Employer's fiscal year. The initial Plan Year shall commence on the effective date of the Plan as set forth in the Adoption Agreement.

2.21 "Taxable Wage Base" means the contribution and benefit base in effect under Section 230 of the Social Security Act in effect as of the beginning of the Plan Year.

2.22 "Top-Heavy Plan" means this Plan is a Top-Heavy Plan for any Plan Year if, as of the last day of the previous Plan Year (or current Plan Year if this is the first year of the Plan) the total of the Employer Contributions made on behalf of Key Employees for all the years this Plan has been in existence exceeds 60% of such contributions for all Employees. If the Employer maintains (or maintained within the prior five years) any other SEP or defined contribution plan in which a Key Employee participates (or participated), the contributions or account balances, whichever is applicable, must be aggregated with the contributions made to the Plan. The Contributions (and account balances, if applicable) of an Employee who ceases to be a Key Employee or of an individual who has not been in the employ of the Employer for the previous five years shall be disregarded. The identification of Key Employees and the top-heavy calculation shall be determined in accordance with Code Section 416 and the regulations thereunder. For purposes of determining whether a Plan is

a Top-Heavy Plan, Elective Deferrals are considered Employer Contributions.

ARTICLE 3 - PARTICIPATION

3.1 Coverage. The Plan shall cover each Employee (including all Employees of controlled groups as described in Section 414(b) of the Code, groups under common control as described in Section 414(c) of the Code, and affiliated service groups as described in Section 414(m) of the Code, and all leased employees who are not employees of the Employer but are required to be treated as employees of the Employer under Section 414(n) of the Code, and all employees required to be aggregated under Section 414(o) of the Code) who satisfies the service requirements set forth in the Adoption Agreement.

3.2 Elective Deferral Participation Requirement. If the Employer elects in the Adoption Agreement to permit Elective Deferrals, Elective Deferrals shall only be permitted for a Plan Year if the Employer had no more than 25 Employees at all times during the prior Plan Year (or such other number as stated in Code Section 408(k)(6)(B)) who were eligible to participate in the Plan and not less than 50% of the Employees eligible to participate elect to have Elective Deferrals contributed to their Accounts on their behalf. If the Employer is a new Employer which had no Employees during the prior Plan Year, the Employer will meet the limitation of Code Section 408(k)(6)(B) if it had 25 (or such other number as stated in Code Section 408(k)(6)(B)) or fewer Employees throughout the first 30 days that it was in existence.

3.3 Failure to Meet Elective Deferral Participation Requirement. If the 50% requirement of Section 3.2, above, is not satisfied as of the end of any Plan Year, all Elective Deferrals made by Employees for that Plan Year shall be considered "disallowed deferrals," i.e., IRA contributions that are not Elective Deferrals. The Employer shall notify each affected Employee, within 2 1/2 months after the end of the Plan Year to which the disallowed deferrals relate, that the deferrals are no longer considered Elective Deferrals. Such notification shall specify the amount of the disallowed deferrals and the calendar year of the Employee in which they are includable in income. The Employer must also provide an explanation of applicable penalties if disallowed deferrals are not withdrawn in a timely fashion. The notice to an affected Employee must state specifically:

(a) The amount of the disallowed deferrals;

(b) That the disallowed deferrals are includable in the Employee's gross income for the calendar year or years in which the amounts deferred would have been received by the Employee in cash had the Employee not made an election to defer, and that the income allocable to such disallowed deferrals is includable in the year withdrawn from the Account; and

(c) That the Employee must withdraw the disallowed deferrals (and allocable income) from the Account by April 15 following the calendar year of notification by the Employer. Those disallowed deferrals not withdrawn by April 15 following the year of notification will be subject to the IRA contribution limitations of Code Sections 219 and 408 and thus, may be considered an excess contribution to the Employee's Account. Disallowed deferrals may be subject to the 6% tax on excess contributions under Section 4973. If income allocable to disallowed deferral is not withdrawn by April 15 following the year of notification by the Employer, the income may be subject to the 10% tax on early distributions under Section 72(t) when withdrawn. Disallowed deferrals are reported in the same manner as excess contributions as described in Article 5.

ARTICLE 4 - CONTRIBUTIONS

4.1 Establishment of Account. When a Participant first becomes eligible for contributions, the Employer shall arrange for the Participant to establish an Account. The establishment of an Account for an Employee shall be made at or prior to the time a contribution is made by the Employer. The Employer may execute any necessary documents on behalf of an Employee who is entitled to an Employer contribution if the Employee is unable or unwilling to execute such documents or the Employer is unable to locate the Employee. Contributions shall be made directly to the trustee or custodian so specified by the Account.

4.2 Employer Contributions. Each Plan Year, the Employer shall make contributions, if any, to the Plan in accordance with the Employer's election in Section 3 of the Adoption Agreement. Such Employer Contributions shall be allocated to a Participant's Account as follows:

(a) Discretionary Integrated Plans - If the Employer elects in the Adoption Agreement a discretionary integrated Plan (i.e., correlating benefits or contributions under the Plan with those under Social Security), Employer Contributions, if any, shall be allocated to each Participant's account as follows: (i) amounts of each annual discretionary Employer Contribution shall first be allocated to each Participant's Account in the ratio that each

Participant's Compensation for the Plan Year bears to all Participants' Compensation, but not in excess of 3% of each Participant's Compensation; (ii) next, any annual discretionary Employer Contribution remaining after the allocation described in (i) above will be allocated to each Participant's Account in the ratio that each Participant's Compensation for the Plan Year in excess of the Integration Level bears to the Compensation of all Participants in excess of the Integration Level, but not in excess of 3%; (iii) next, any annual discretionary Employer Contributions remaining after the allocation described in (ii) above will be allocated to each Participant's Account in the ratio that the sum of each Participant's Compensation and Compensation in excess of the Integration Level bears to the sum of all Participants' Compensation and Compensation in excess of the Integration Level, but not in excess of the Maximum Disparity Rate; and (iv) any remaining annual discretionary Employer Contributions will be allocated to each Participant's Account in the ratio that each Participant's Compensation for the Plan Year bears to all Participant's Compensation for that Plan Year.

(b) Discretionary Non-Integrated Plans - If the Employer elects in the Adoption Agreement a discretionary non-integrated Plan, Employer Contributions, if any, shall be allocated to each Participant's Account in the same proportion as such Participant's Compensation for the Plan Year bears to all Participants' Compensation for that Plan Year.

(c) Flat Dollar Plans - If the Employer elects in the Adoption Agreement a flat dollar Plan, the Employer will allocate such flat dollar amount as specified in the Adoption Agreement to each Participant's Account.

(d) Definite Non-Integrated Plans - If the Employer elects in the Adoption Agreement a definite non-integrated Plan, the Employer will allocate to each Participant's Account that percentage of the Participant's Compensation as specified in the Adoption Agreement.

(e) Definite Integrated Plans - If the Employer elects in the Adoption Agreement a definite integrated Plan, the Employer shall allocate to each Participant's Account the amount determined in accordance with the formula specified in the Adoption Agreement.

If the Employer maintains an integrated qualified plan at any time during the Plan Year, the Employer shall allocate its contribution under this Plan for the Plan Year under the nonintegrated allocation formula, irrespective of the Employer's election in the Adoption Agreement. An integrated qualified plan is a plan meeting the requirements of Code Section 401(a) or Code Section 403(a), under which contributions or benefits are integrated with Social Security.

Employment by a Participant on the last day of the Plan Year is not a condition to an allocation of an Employer Contribution under the Plan for that Plan Year. However, the Employer shall not make a contribution for a particular Plan Year for any Employee whose compensation (as defined in Code Section 414(q)(7)) is less than \$300 during that Plan Year (or such larger amount as the Commissioner of Internal Revenue may prescribe).

Except as provided in Sections 4.2(a) and 4.2(e), all Employer Contributions to the Plan shall bear a uniform relationship to the total Compensation (not to exceed \$200,000, as adjusted annually per Code Section 408(k)(8)) of each Participant. If the Employer elects in the Adoption Agreement to make flat dollar contributions, such contributions shall be deemed to bear a uniform relationship to the total Compensation of each Participant.

4.3 Limitation on Employer Contributions. The total of the Employer Contributions (as determined under Section 4.2) allocated to a Participant's Account for any Plan Year shall not exceed the lesser of 15% of the Participant's Compensation or \$30,000 (as indexed for cost-of-living increases in accordance with Code Section 415(d)).

4.4 Elective Deferrals. If elected by the Employer in the Adoption Agreement, each Employee may elect to have the Employer make a contribution under this Plan on behalf of such Employee in lieu of cash payments, through either single sum or continuing contributions, or both, pursuant to a salary reduction agreement, provided:

(a) the Employer did not have more than 25 Employees eligible to participate in the Plan at any time during the preceding year (or such other number as stated in Code Section 408(k)(6)(B));

(b) an election under this section is made or in effect for at least 50% of the Employees of the Employer;

(c) the Deferral Percentage for each Highly Compensated Employee is not more than the product of 1.25 times the Deferral Percentage for Non-Highly Compensated Employees. For purposes of determining the Deferral Percentages of a Highly Compensated Employee who is a 5% owner or one of a group of the ten most Highly Compensated Employees, the Elective Deferrals and Compensation shall include the Elective Deferrals and Compensation of Family Members, and each such

Family Member shall be disregarded in determining the Deferral Percentage for Participants who are Non-Highly Compensated Employees. The Deferral Percentage calculation and the number and identity of Highly Compensated Employees shall be made on the basis of the Employer and all entities required to be aggregated with the Employer as described in Section 2.7. The determination and treatment of the Elective Deferrals and Deferral Percentage of any Participant shall be made in accordance with Code Section 408(k)(6) and shall satisfy such other requirements as may be prescribed by the Secretary of Treasury;

(d) the Employer is not a state or local government or political subdivision thereof, or an agency or instrumentality thereof or a tax-exempt organization. No deferred election may be based on Compensation an Employee received, or had a right to receive, before executing the Salary Reduction Agreement.

4.5 Limitation on Elective Deferrals. A Participant's Elective Deferrals for a calendar year may not exceed \$8,994 for 1993 (as indexed pursuant to Code Section 402(g)(5)). The \$8,994 limit applies to the total elective deferrals the Participant makes for the calendar year under the Plan and under any cash or deferred arrangement described in Code Section 401(k) and any salary reduction arrangement described in Code Section 403(b). The limit may be increased to \$9,500 if the Participant makes elective deferrals to a salary reduction arrangement under Code Section 403(b). Under no circumstances may a Participant's Elective Deferrals in any calendar year exceed the lesser of 15% of his or her Compensation (less Employer Contributions) or the limitation under Code Section 402(g). The deferral limit is 15% of Compensation (less Employer Contributions). Compute this amount using the following formula: Compensation (before subtracting Employer Contributions) x 13.0435%.

4.6 Excess Elective Deferrals. If, pursuant to a salary reduction agreement, the Employer determines the Participant's Elective Deferrals for a calendar year would exceed \$8,994 (as indexed), the Employer shall suspend the Participant's salary reduction agreement until the following January 1 and shall refund any Elective Deferrals in excess of the limitation which the Employee has not contributed to the Participant's Account. The Employer shall make all refunds described in the preceding sentence no later than April 15 of the following calendar year. Excess deferrals, as adjusted for allocable income or loss, shall be withdrawn by the Participant no later than April 15 following the calendar year in which the excess occurred. Excess deferrals not withdrawn by April 15 will be subject to the IRA contribution limitations of Code Sections 219 and 408. Withdrawals of excess Elective Deferrals shall be made by notifying the Trustee of the OppenheimerFunds Individual Retirement Account, c/o Oppenheimer Shareholder Services, Retirement Plans Department, P.O. Box 5270, Denver, Colorado 80217, in writing, of the amount of the excess Elective Deferrals and requesting Oppenheimer Shareholder Services to distribute the excess Elective Deferrals, as adjusted for allocable income or loss, by the appropriate April 15.

If a Participant participates in another plan under which he/she makes elective deferrals pursuant to a Code Section 401(k) arrangement, a simplified employee pension, or salary reduction contributions to a tax-sheltered annuity, irrespective of whether the Employer maintains the other plan, he/she may provide the Employer with a written claim for excess deferrals made for a calendar year. The Participant must submit the claim no later than the claim shall specify the amount of the Participant's Elective Deferrals under the Plan which are excess deferrals. If the Employer receives a timely claim and the Employer has not contributed the excess deferral to the Participant's Account, the Employer shall refund the excess deferral the Employee has assigned to this Plan in accordance with the distribution procedures described in the immediately preceding paragraph. If the Employer has contributed the excess deferral to the Participant's Account, the Employer shall notify the trustee of the OppenheimerFunds IRA at the address set forth above, in writing, of the amount of the excess deferrals and request the Trustee to distribute the excess deferrals, and adjusted for allocable income or loss, by the appropriate April 15.

4.7 Multiple Plans. If the Employer maintains any other simplified employee pension plan to which non-elective Employer contributions are made for a Plan Year, or any qualified plan to which contributions are made for such Plan Year, then a Participant's Elective Deferrals may be limited to the extent necessary to satisfy the maximum contribution limitations under Code Section 415(c)(1)(A). Employer contributions to all such simplified employee pension plans and defined contribution qualified plans may not exceed (unless otherwise permitted by Code Sections 404 and 415) the lesser of \$30,000 or 15% of Compensation for any Employee. If these limits are exceeded on behalf of any Employee for a particular Plan Year, that Employee's Elective Deferrals for that year must be reduced to the extent of the excess.

4.8 Restrictions on Withdrawals. The Employer shall notify each Employee who makes Elective Deferrals for a Plan Year that, notwithstanding the prohibition on withdrawal restrictions contained in the Plan, any amount attributable on such Elective Deferrals which is withdrawn or transferred before the earlier of 2-1/2 months after the end

of the particular Plan Year and the date the Employer notifies its Employees that the Deferral Percentage test has been calculated, will be includable in income for purposes of Code Sections 72(t) and 408(d)(1).

4.9 Participant Contributions. A Participant may voluntarily contribute an amount which does not exceed the maximum dollar amount specified under Code Section 219(b)(1) and Section 408.

ARTICLE 5 - EXCESS CONTRIBUTIONS

5.1 Definition of Excess Contributions. Excess contributions are the excess, if any, of Elective Deferrals with respect to a Highly Compensated Employee over the Deferral Percentage limitation described in Section 4.4(c) for such Highly Compensated Employee. Elective Deferrals by a Highly Compensated Employee must satisfy the Deferral Percentage limitation under Code Section 408(k)(6). Amounts in excess of the Deferral Percentage limitation will be deemed excess contributions on behalf of the affected Highly compensated Employee.

5.2 Excess Contributions Includable in Gross Income. Excess contributions are includable in the Employee's gross income on the earliest date any Elective Deferrals made on behalf of the Employee during the Plan Year would have been received by the Employee, had such Employee originally elected to receive the amounts in cash. However, if the excess contributions (not including allocable income) total less than \$100, then the excess contributions are includable in the Employee's gross income in the year of notification. Income allocable to the excess contributions is includable in the year of withdrawal from the Account.

5.3 Employer Notification of Excess Contributions. The Employer shall notify each affected Highly Compensated Employee within 2 1/2 months following the end of the Plan Year to which the excess contributions relate, of any excess contributions made by such Highly Compensated Employee for the applicable year. Such notification shall specify the amount of the excess contributions and the calendar year in which the contributions are includable in income. The notification shall also provide an explanation of applicable penalties if the excess contributions are not withdrawn in a timely fashion. The notification to each affected Employee of the excess contributions must specifically state in a manner calculated to be understood by the average Employee:

(a) the amount of the excess contributions attributable to that Employee's Elective Deferrals;

(b) the calendar year in which the excess contributions are includable in gross income; and

(c) that the Employee must withdraw the excess contributions (and allocable income) from the Account by April 15 following the year of notification by the Employer.

Those excess contributions not withdrawn by April 15 following the year of notification will be subject to the IRA contribution limitations of Code Sections 219 and 408 for the preceding calendar year and thus, may be considered an excess contribution to the Employee's Account. Such excess contributions may be subject to the 6% tax on excess contributions under Code Section 4973. If income allocable to an excess contribution is not withdrawn by April 15 following the year of notification by the Employer, the income may be subject to the 10% tax on early distributions under Code Section 72(t) when withdrawn.

5.4 Failure to Notify Employees of Excess Contributions. If the Employer fails to notify any of the affected Employees within 2 1/2 months following the end of the Plan Year of an excess contribution, the Employer must pay a tax equal to 10% of the excess contribution. If the Employer fails to notify the Employees by the end of the Plan Year following the Plan Year in which the excess contributions arose, the Plan will no longer be considered to meet the requirements of Code Section 408(k)(6). If the Plan no longer meets the requirements of Code Section 408(k)(6), then any contributions to an Employee's Account will be subject to the IRA contribution limitations of Code Sections 219 and 408 and thus, may be considered an excess contribution to the Employee's Account.

ARTICLE 6 - BENEFITS

6.1 Vesting. All contributions made to the Plan by Employer on behalf of a Participant shall be fully vested and nonforfeitable at all times.

6.2 Withdrawals. The right of a Participant to withdraw amounts contributed by Employer on such Participant's behalf shall not in any way be restricted by Employer or the Plan.

6.3 Penalty Tax. If a Participant withdraws amounts from the Plan, Participant shall be responsible for payment of the penalty tax, if any, which may be associated with the Participant's withdrawal.

ARTICLE 7 - TOP-HEAVY PLANS

7.1 Minimum Allocation. The following mandatory minimum allocation applies when this Plan is a Top-Heavy Plan:

Unless another plan of the Employer is designated in the Adoption Agreement to satisfy the Top-Heavy Plan minimum contribution requirement, the Employer will make a minimum contribution to the Account of each Participant who is not a Key Employee, which, in combination with other non-elective contributions, if any, is equal to the lesser of 3% of such Participant's Compensation or a percentage of Compensation equal to the percentage of Compensation at which elective and non-elective contributions are made under the Plan for the Year for the Key Employee for whom such percentage is the largest.

7.2 Elective Deferrals Cannot be Used for Minimum Allocation. For purposes of satisfying the minimum allocation requirement of Section 416 of the Code, Elective Deferrals contributed for the benefit of Employees who are not Key Employees may not be used to satisfy the minimum allocation requirement.

ARTICLE 8 - MISCELLANEOUS

8.1 Administration. Except for duties specifically delegated in accordance with the terms of any Account, the Plan shall be administered by the Employer.

8.2 Limitations on Participation. If the Employer maintains or has maintained a defined benefit plan, even if now terminated, the Employer may not participate in the Plan.

8.3 Nonguarantee of Employment. Neither the establishment of this Plan nor any modification thereof nor contribution thereto, shall be construed as giving to any Participant or other person any legal or equitable right against Employer, except as provided herein; and in no event shall the terms of employment of any Employee be modified or in any way be affected hereby.

8.4 Amendments. The Employer reserves the right to change the Plan by amending the Adoption Agreement and may terminate the Plan at any time. Oppenheimer Funds Distributor, Inc. may also amend the Plan from time to time. All amendments to the Plan shall be communicated to all Participants. If the Employer amends this Plan (other than an election permitted in the Adoption Agreement), this Plan will be deemed to be an individually designed plan subject to separate submission to the IRS for approval and the Employer may no longer participate in this prototype Plan.

8.5 Approved-IRA. This Plan must be used with an Internal Revenue Service model IRA or an Internal Revenue Service-approved master or prototype IRA.

8.6 Named Fiduciary and Plan Administrator. The Employer will be the fiduciary and plan administrator of the Plan. The Employer can, by appointment, allocate the duties of the plan administrator among several individuals or entities. Such appointments will not be effective until the party designated accepts the appointment in writing. The plan administrator will have the following discretionary authority, powers and duties:

- (a) to construe and interpret the provisions of the Plan;
- (b) to decide all questions of eligibility for Plan participation;
- (c) to provide appropriate parties with information returns, reports, descriptions, statements and documents as required by law, within the times prescribed by law and to make them available for examination as required by law;
- (d) to take such other action as may be reasonably required to administer the Plan in accordance with its terms or may be provided for and required by law.
- (e) to appoint and retain individuals necessary to carry out the functions of the plan administrator.

8.7 Claims Procedure. If the Employer's Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974, as amended, the Employer shall establish a claims procedure which provides a Participant whose claim for benefits under the Plan has been denied a reasonable opportunity for a full and fair review.

8.8 Effective Date. The effective date of the Plan shall be as specified by the Employer in the Adoption Agreement. No Elective Deferrals may be made by an Employee on the basis of Compensation that the Employee received or had a right to receive before the adoption of this Plan and execution by the Employee of the deferral election.

8.9 Deductibility of Contributions. Contributions to the Plan by the Employer are deductible by the Employer for the taxable year with or within which the Plan Year of the Plan ends. Contributions made for a particular taxable year and contributed by the due date of the Employer's income tax return, including extensions, are deemed made in that taxable year.

8.10 Change of Plan Year. If the Employer changes the Plan Year to a year other than a calendar year, an Employee who has any service during the short year must be given credit for that service in determining whether he or she has performed services in three of the last five years. Such Employee must also receive Employer Contributions for the short year if he or she would have been entitled to an Employer Contribution for the calendar year in which the short year begins if there had been no change.

8.11 For More Information. For more information concerning the rules governing this Plan, please contact Oppenheimer Funds Distributor, Inc., P.O. Box 5270, Denver, Colorado 80217, Tel. No. 1-800-525-7048.

OPPENHEIMERFUNDS SAR-SEP - Employer Brochure

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OPPENHEIMERFUNDS SIMPLIFIED EMPLOYEE PENSION PLANS

Gain Valuable Retirement Benefits with
OppenheimerFunds Simplified Employee Pension (SEP) Plans*

OppenheimerFunds offers a program of retirement plans designed especially for self-employed individuals, sole proprietors, small companies and partnerships that includes both employer-funded Simplified Employee Pension Plans (SEP-IRAs) and employee-funded Salary Reduction Plans (SAR-SEPS) (or combination employer and employee-funded). The advantages of OppenheimerFunds SEPs can be substantial and will help you attract and retain high quality employees. Whether your business is incorporated or unincorporated, you will find that these SEPs are the simplest, most convenient way to provide retirement benefits for yourself and your employees.

What are Simplified Employee Pension Plans (SEPs)?

A SEP is simply an expanded Individual Retirement Account (IRA) for self-employed individuals, business owners and their employees. With a SEP-IRA, the employer makes contributions directly to Individual Retirement Accounts (IRAs) that are established for each employee. With a SAR-SEP, these individual IRAs can also be funded by employees through a salary reduction arrangement. Both SEP-IRAs and SAR-SEPs allow you to offer your employees a way to accumulate assets that will provide income for retirement. Earnings on all contributions are tax-deferred until withdrawn. Contributions from employers are tax-deductible (within limits described on page 6).

How Do OppenheimerFunds SEPs Work?

OppenheimerFunds SEPs are easy to set up. You simply complete the OppenheimerFunds SEP/SAR-SEP Adoption Agreement, have your eligible employees open IRAs and make your contributions directly into each eligible employee's account. If you establish a SAR-SEP, your employees make contributions to their IRAs through salary deferrals that can be made at any time during the year.

Are There any Special Requirements for Establishing SEP-IRAs or SAR-SEPs?

Although there are no limits to the number of employees that may participate in a SEP-IRA, all eligible employees** must receive an employer contribution which must be the same pro rata percentage of salary for all plan participants, unless the SEP-IRA is "integrated" with Social Security taxes. (Rules vary slightly for non-incorporated businesses. See Calculating Contributions on page 13.)

*An employer that maintains or ever maintained a defined benefit pension plan, even if now terminated, may not adopt an OppenheimerFunds Simplified Employee Pension Plan.

** Depending on the eligibility guidelines chosen, employers should review previous years employee payroll records when determining number of eligible employees.

In order to maintain a Salary Reduction or SAR-SEP plan, you may not have had more than 25 eligible employees at any time during the prior year (or more than 25 employees who would have been eligible if you had a SAR-SEP for that year) and at least half of the eligible employees must elect to defer part of their compensation into the SAR-SEP plan in the current year. A top-heavy test must be performed to determine if your plan disproportionately benefits certain "key employees". If the plan is top-heavy, you may have to contribute as much as 3% of all the annual compensation on behalf of all non-key eligible employees in order to maintain the plan. Whether or not the plan is top-heavy, it must also meet a special non-discrimination test to assure the plan does not favor your highly paid employees. (For a more detailed explanation, please refer to "SAR-SEP Non-Discrimination Test" found on page 16.)

What Are the Advantages of SEP-IRAs and SAR-SEPs?

Tax deductible employer contributions. - The contributions you make to a SEP-IRA are deductible for federal income tax purposes (within limits described below). This helps to reduce your company's tax bill while giving your employees valuable retirement benefits. Employees' contributions reduce their taxable wages and salaries (subject to annual limits described on page 6).

Grow investment earnings tax-deferred. - Since contributions are invested through an IRA, the investment earnings are protected from current income taxes. This tax-deferred investing is one of the most important benefits of a SEP-IRA or SAR-SEP - since it allows assets to grow much faster than in an equivalent taxable investment.

Flexible contribution levels. - You are never required to make a SEP-IRA contribution. Although each time you make a contribution you must contribute for all eligible employees in a non-discriminatory manner (see Calculating Contributions, on page 13.), as the employer, you determine when you make contributions and how large they will be. Employees are also allowed flexibility to determine the amount of their salary deductions (within IRS limits) under SAR-SEPs.

Flexible funding. - SEP-IRAs are the only retirement plan you can establish after the end of the employer's taxable year. You may set up and fund your SEP plan right up to the due date (plus extensions) of your business tax return.

Inexpensive and easy to maintain. - With SEP-IRAs and SAR-SEPs, unlike many qualified retirement plans, there are no time-consuming annual reports to be sent to the IRS or Department of Labor. You save on administration and accounting expenses. The only costs normally associated with establishing SEP-IRAs and SAR-SEPs are IRA set-up and annual maintenance charges, and possibly deferral rate testing by an outside administrator.

Choose the OppenheimerFunds SEP That's Right for You
(Use this table to help determine which type of SEP best meets your needs)

	SEP-IRA	SAR-SEP
Employer contribution	The same date as your	Same as SEP-IRA

deadline	Federal income tax return filing deadline (including extensions).	
Employee pre-tax contribution	Prohibited.	Limited to the lesser of \$8,994 or 15% of annual taxable compensation.*
Annual employer contribution	Not required. You determine the level each year.	Same as SEP-IRA. If the plan is top-heavy, the IRS requires a minimum contribution.**
Integrated contribution	Integrated SEPs take Social Security taxes into account when determining employer contributions	Same as SEP-IRA
Maximum employer contribution	The lesser of \$30,000 or 15% of participant's annual taxable compensation (13.04% of earned income for self-employed individuals).***	When combined with employee pre-tax contributions: same as SEP-IRA.
Maximum employer deduction for contributions	15% of total annual compensation for all participating employees. (Contributions in excess of the 15% limit may be subject to an excise tax.)	Same as SEP-IRA.
Contribution level requirements	None.	Amount deferred by each highly compensated employee, expressed as a percentage of annual compensation, limited to 125% of average annual deferral percentage of all eligible, non-highly compensated employees.

* PLEASE NOTE: All maximum contribution amounts, tax rates and salary requirements are for 1993 and are subject to change in subsequent years due to cost-of-living adjustments. The 1993 maximum compensation, which may be taken into account for the purposes of determining benefits, is limited to \$235,840. Starting in 1994, this limit is reduced to \$150,000 with cost-of-living increases for subsequent years.

** For non-key employees equal to 3% of compensation or the largest percentage of compensation contributed by or on behalf of any key employee, whichever is less.

*** Self-employed individuals' earned income must be reduced to take into account the income tax deduction allowed for one-half the self-employment tax, subject to certain limitations that vary each year.

Eligibility requirements	Employer sets age eligibility (cannot be higher than age 21). Employees who have earned at least \$385* during the year for which the contribution is made. Employees who have worked for any part of any 3 of the preceding 5 years.	Same as SEP-IRA plus employer must have no more than 25 employees who were eligible during the preceding year.
Investment options	Over 25 Oppenheimer mutual funds (See Oppenheimer spectrum of funds)	Same as SEP-IRA.
Fees per participant	\$10.00 annual administrative fee \$7.50 one time set-up fee \$10.00 account termination fee \$5.00 partial account distribution fee	Same as SEP-IRA.

Early withdrawals	Withdrawals before the age of 59 1/2 are subject to regular income tax as well as a 10% penalty tax if the distribution is premature.	Same as SEP-IRA.
Distribution upon retirement	Participants may take a lump-sum distribution or receive periodic payments through the OppenheimerFunds Automatic Withdrawal Plan. All distributions are taxed as regular income.	Same as SEP-IRA.

INVESTING WITH OPPENHEIMERFUNDS

OppenheimerFunds brings over 30 years of experience to managing mutual funds. Today, Oppenheimer Management Corporation, the investment advisor to the OppenheimerFunds and its subsidiaries, manage over \$24 billion in assets, held in over 1.8 million shareholder accounts.

Whatever your investment objective, OppenheimerFunds offers a variety of funds ranging from very conservative to highly aggressive. Described in detail below, is a comprehensive range of OppenheimerFunds that will allow you and your employees to invest to seek to meet their financial objectives from today through retirement.

Aggressive Growth Funds

These funds are designed to provide the highest possible level of capital growth by investing in common stocks. They are most suitable for aggressive investors who plan to hold their investment for the longer term and generally are willing to assume higher risks in the pursuit of greater rewards. Aggressive growth funds are not designed to provide current income.

Discovery Fund. Invests in emerging growth stocks, which may be traded on the over-the-counter market or listed on a major exchange.

Target Fund. Invests in a diversified portfolio of stocks with above-average growth potential.

Time Fund. Seeks capital appreciation primarily through a flexible investment approach; may invest in cyclical industries, special situations and companies with new products or services.

Growth Funds

These funds seek capital through carefully selected portfolios of securities. They are designed for investors looking for solid capital appreciation potential over the medium to long term. For some growth funds, income is a secondary objective.

Special Fund. Generally invests in securities of larger companies that appear to be undervalued or are exhibiting positive earnings growth potential.

Oppenheimer Fund. Seeks capital growth accompanied by some growth in income, through investments in carefully selected, well-established companies.

Value Stock Fund. Seeks long-term growth of capital and income primarily through investment in dividend-paying stocks of well-established, large capitalization companies.

Growth & Income Funds

These funds seek a high total investment return through a combination of capital appreciation and income. They are designed for conservative investors looking for a steady investment approach.

Main Street Income & Growth Fund. Invests in dividend paying stocks, bonds, convertible securities and money market instruments. It is designed to provide investors with a high total return over time through a combination of current income and long-term capital appreciation.

Total Return Fund. Invests in a dynamic combination of growth-oriented common stocks and income-oriented securities seeking to provide a high total return.

Asset Allocation Fund. Seeks a high return through strategic allocation of the Fund's assets among common stocks, investment-grade bonds and money market instruments.

Equity Income Fund. Seeks a total return through a primary objective of current income and a secondary objective of conserving capital while providing an opportunity for growth. Invests in high dividend-paying stocks and fixed income securities.

Income Funds

These funds are designed to provide high current income from a diversified portfolio or fixed income securities.

High Yield Fund. Seeks high monthly income from a portfolio of high yielding corporate bonds.

Champion High Yield Fund. Seeks high current income by investing in a diversified portfolio of lower-rated, higher yielding corporate bonds.

Strategic Income & Growth Fund. Using the strategic allocation techniques, seeks a primary objective of current income and a secondary objective of capital appreciation.

Strategic Income Fund. Seeks high monthly income from a portfolio of international fixed income securities, U.S. government securities and high-yielding corporate bonds, and by writing covered call options.

Strategic Investment Grade Bond Fund. Using the strategic allocation techniques, seeks high current income consistent with stability of principal from a portfolio of investment-grade securities.

Strategic Short-Term Income Fund. Using the strategic allocation technique, seeks high current income consistent with stability of principal from short-term investment-grade securities.

Investment-Grade Bond Fund. Seeks high current income consistent with stability of capital from a portfolio of investment-grade corporate debt securities, U.S. government securities and money market instruments.

Mortgage Income Fund. Seeks high current income, capital preservation and liquidity through investments primarily in mortgage income securities.

U.S. Government Trust. Seeks high current income, consistent with capital preservation and liquidity, from investments in U.S. government securities.

Government Securities Fund. Seeks high current return and safety of principal.

Money Market Fund. Invests in money market instruments for safety of principal plus current income.

Cash Reserves. Seeks maximum current income consistent with stability of principal through a portfolio of money market securities.

Special Opportunities

These funds are designed for investors who want to diversify their investment portfolios to take advantage of specific growth opportunities.

Global Fund. Seeks capital appreciation by investing in a globally diversified portfolio of common stocks.

Global Environment Fund. Seeks capital appreciation through investment principally in companies which contribute to a cleaner and healthier environment.

Global Bio-Tech Fund. Seeks capital appreciation by investing in biotechnology companies.

Gold & Special Minerals Fund. Seeks capital appreciation through securities of companies in the gold and minerals industries. Designed to provide a long-term hedge against inflation.

Global Growth & Income Fund. Seeks capital appreciation consistent with preservation of principal while providing current income. Invests in foreign as well as domestic stocks, securities acquired to produce income, or a combination of both.

Ask your financial advisor for a prospectus of the fund(s) selected. The prospectus contains more complete information, including all charges and expenses. Read it carefully before you invest or send money.

HOW TO ESTABLISH YOUR OPPENHEIMERFUNDS SEP-IRA OR SAR-SEP

A Step-by-Step Guide to Installation

Use the following as a guide to establish your OppenheimerFunds SEP-IRA or SAR-SEP. In addition, the next few pages will describe how to install and fund each type of SEP. If you have any questions please contact OppenheimerFunds at 1-800-525-7048. We will be happy to help .

Step #1:

Complete the OppenheimerFunds SEP/SAR-SEP Adoption Agreement on page 27 of this brochure. (Be sure to keep a copy of this document for your

records.)

Notify your employees of your intention to adopt a SEP/SAR-SEP plan. (A sample employee announcement letters can be found on page 25.)

Step #2:

Enroll your employees by providing:

The Oppenheimer Individual Retirement Account (IRA) Kit, which includes the IRA application, Trust Agreement and Disclosure Statement.

A copy of the SEP/SAR-SEP Employee Guide.

Employees should review all of the disclosure information as well as complete the OppenheimerFunds IRA application form. The employees an return the forms to you.

For SAR-SEP plans, the employee must fill out a copy of the Salary Reduction Agreement found on page 22 of this booklet in addition to the IRA application. (This Agreement is retained by the employer and can be amended.)

A completed copy of the OppenheimerFunds SEP/SAR-SEP Adoption Agreement.

Step #3:

Calculate the allowable employer contributions under IRS regulations by following the appropriate calculation instructions beginning on page 13, Calculating Contributions. These calculations are different for Standard SEPs, Integrated SEPs and SAR-SEPs.

Complete the OppenheimerFunds SEP/SAR-SEP Funds Transmittal Form for Contributions found on page 20 of this booklet. Once you have determined the allowable employer contributions and, (if a SAR-SEP plan) employees have completed Salary Reduction Agreements, complete the allocation section of the SEP/SAR-SEP Funds Transmittal Form. Prepare a single check representing the total contribution for all your participating employees.

Important Note: Please read the Calculating Contributions section carefully. As the administrator of a SEP plan, it is your responsibility to make sure that your plan meets all top-heavy requirements and limits on employer contributions and deferral rates set by the IRS on an ongoing basis or the tax-deferred status of contributions to plan could be jeopardized. To ensure your plan complies, we recommend that you monitor your employee contribution amounts by performing the non-discrimination and top-heavy tests at least semiannually. It may be a good idea to perform the test whenever you gain or lose an employee and if there are changes in an employee's compensation.

Additionally, it is important to remember that the total contributions to any one person's account may never exceed the lesser of 15% of his or her compensation or \$30,000 in any of these plans, and an employee may not contribute more than \$8,994* through salary deferral. To maintain compliance and avoid excess contributions and the associated penalties, we recommend that when you calculate employee contribution amounts you project figures to the end of the year. In this regard, it is better to underestimate contribution amounts and make up the difference if necessary at the end of the plan year. See each type of calculation for further details.

Step #4:

Send the following items to OppenheimerFunds, Group Payments Department, P.O. Box 5390, Denver, CO 80217-5390. :

A signed SEP/SAR-SEP Adoption Agreement (employer must keep a file copy), with the completed OppenheimerFunds Salary Reduction (SAR)/Simplified Employee Pension (SEP) Funds Transmittal Form for Contributions. Note: if employer and employee contribution amounts are not separately identified, then contribution amounts will be assumed to be employee salary deferral contributions.

A signed and completed IRA application for each employee.

A check payable to Oppenheimer Funds Distributor, Inc. for the entire contribution amount and fees.

Be sure to keep copies for your records

Step #5:

It normally takes a day to establish the accounts. Each participating employee will receive confirmation statements directly from OppenheimerFunds. You, the employer, will receive a general account statement that also serves as an "invoice form" for the next contribution

on the first or the fifteenth of every month. Spaces are allowed for changing contributions and adding or deleting employees.

*Adjusted annually for inflation.

Calculating Contributions

Calculating Standard SEP Contributions for Corporations

Calculating standard SEP contributions for employees of corporations is based on a straight percentage of compensation. The following example shows a business that makes a SEP contribution on behalf of all eligible employees. Since this business is incorporated, each employee, including the owner, receives the same pro rata contribution. In this example, that contribution is 15% of compensation.

Worker	Salary	Standard15% SEP Contribution
- - - - -	- - - - -	- - - - -
Owner	\$ 90,000	\$13,500
Employee W	35,000	5,250
Employee X	30,000	4,500
Employee Y	25,000	3,750
Employee Z	12,000	1,800
	\$192,000	\$28,800

Calculating Standard SEP Contributions for Unincorporated Businesses or Self-Employed Individuals

The calculation is slightly different if the business is not incorporated or if you are self-employed. As with a corporation, the non-owners receive a pro rata contribution based on their pay. The owner(s), however, receives the same percentage contribution as the non-owners, but the percentage is calculated on the business' profits reduced by the deduction for the contribution to the SEP plan* and one-half the self-employment taxes.**

Worker	Salary	Standard15% SEP Contribution
- - - - -	- - - - -	- - - - -
Employee W	\$35,000	\$ 5,250
Employee X	30,000	4,500
Employee Y	25,000	3,750
Employee Z	12,000	1,800
		\$15,300

Let's assume that the business is a sole proprietorship and that in 1993 the business has \$200,000 of net profits prior to making the SEP contribution on behalf of all eligible employees who are non-owners. First, subtract the SEP contribution and one-half of the self-employment taxes from the profits.

Profits	\$200,000
minus SEP Contribution	- 15,300
	\$184,700
minus one-half of self-employment taxes	\$ -5,529
Profits less SEP contribution and self-employment taxes	\$179,171

*The deduction should include plan contributions made on behalf of any eligible employees, but exclude the contribution a self-employed individual would make on his or her behalf.

**For self-employed persons tax rate refer to IRS Publication 560 or line 25 of the 1040 Form.

Next, calculate the contribution for the self-employed individuals as follows:

$$\frac{\$179,171 \times .15}{1.15} = \$23,370$$

The owner contributes \$23,370 to his or her own account. Therefore, the total contribution to the SEP for all eligible employees for that plan year would be \$38,670 (\$15,300 + \$23,370).

This formula should also be used for partnerships. The self-employed participants rate cannot exceed .130435:

$$\text{Plan Contribution Rate} = .15 = .130435 \text{ (Self-Employed Participants Rate)}$$

$$1 + \text{Plan Contribution Rate} = 1.15$$

Note: Even if the plan has a contribution percentage less than 15%, the self-employed rate is calculated with the same formula. For example, if the contribution percentage for non-owners is 10%, the self-employed rate is .090909, which is equal to .10
1.10.

SAR-SEPS

Since the law requires that SAR-SEPs do not unfairly benefit owners and other highly compensated employees, you must subject your plan to a top-heavy test and a non-discrimination test. The explanation of each test that follows is designed to be used as a guide that you can apply to your own situation.

Top-Heavy Test

The OppenheimerFunds SAR-SEP plan is not assumed to be "top-heavy", as defined below. However, your plan may be top heavy, in which case you may have to make contributions for all non-key eligible employees. A SAR-SEP plan is considered "top-heavy" for any plan year if the total of the employer contributions made on behalf of key employees, as defined below, for all previous years the plan has been in existence, exceeds 60% of such contributions for all employees. (If you maintained another SEP plan within the previous five years, contributions made to that plan during those years must also be counted. Special rules apply if you maintained a tax-qualified defined contribution plan at any time during the previous five years.) There are three steps to this test:

Step #1: Categorize Your Employees

Divide all your employees who are eligible to participate in your plan, whether or not they have chosen to participate, into two categories: key and non-key employees. A "key employee" is an employee who at any time during the plan year or any of the four preceding plan years, is:

- an officer having an annual compensation greater than 50% of the defined benefit dollar limitation (indexed annually for inflation, currently \$115,641)
- one of the ten largest owners of the employer having annual compensation from the employer of more than the defined contribution dollar limit (currently \$30,000)
- a 5% owner of the company, or
- a 1% owner of the company having an annual compensation of more than \$150,000.

Step #2: Determine Contributions Made on Behalf of All Eligible Key and Non-Key Employees

First, list all key employees and the contribution amounts made on behalf of each during all four preceding plan years, then add these figures to arrive at a total. Do the same for all non-key employee contributions. Second, add all key and non-key employee contributions to arrive at a total employee contribution amount. Third, multiply the total employee contribution amount by 60% (.60) and compare this figure to the total key employee contribution amount.

Key Employee Contributions		Non-Key Employee Contributions	
Employee V	\$40,000	Employee X	\$13,000
Employee W	30,000	Employee Y	16,000
	-----	Employee Z	21,000
Total	\$70,000	Total	\$50,000

Total Employee Contributions: \$70,000 + \$50,000 = \$120,000

60% of \$120,000 is \$72,000. Because the \$70,000 employer contribution for all preceding plan years for key employees is less than \$72,000, the plan would not be considered top-heavy for the current plan year.

Step #3: Apply the Top-Heavy Test

If the total key employee contribution amount exceeds 60% of total employee contribution amount the plan is top-heavy. If this is the case, the employer is required to contribute a minimum contribution to each non-key employee's account (regardless of whether or not they made an elective deferral) equal to the lesser of 3% of compensation or the largest percentage of compensation contributed on behalf of any key employee (including key employees' elective deferrals). The employer may also contribute the same percentage to each key employee's account as well if the SEP permits discretionary employer contributions.

Reminder: In performing this test for the first plan year of the SAR-SEP, you use the current year's contributions. Therefore, it is recommended that you project the numbers to the end of the year. That way it will give you a more meaningful indication of whether or not you will pass the test. For subsequent years, top-heavy status is determined as of the end of the previous year.

Non-Discrimination Test

A SAR-SEP requires that you administer a special non-discrimination test. The amounts that the more highly paid employees can defer are controlled by the average deferral of the non-highly paid employees. This test prevents each highly compensated employee from deferring more than 1.25 times the Average Deferral Percentage (ADP) of non-highly compensated employees. There are three steps to this test:

Step #1: Categorize Your Employees

Divide all employees into two groups: highly compensated and non-highly compensated. An employee is highly compensated if, during the current or immediately preceding year, he or she:

owned a 5% or greater share of the employer. (Note: Shares owned by certain relatives count toward this percentage.)

earns more than \$75,000.*

earns more than \$50,000* and is in the top 20% of employees as ranked by compensation.**

is an officer of the company, earns more than \$45,000* or is the highest ranking officer if no one earns more than \$45,000*. If no officer earned at least this amount, the highest paid officer for the year will be a highly compensated employee (Maximum number of officers in this category: three employees or 10% of employees, whichever is greater.)

Reminder: A family member who is related to a highly compensated employee (a 5% owner or among the 10 highest paid employees does not count when determining the average deferral percentage of non-highly compensated employees; their compensation and salary deferral contributions are treated as the compensation and salary deferral contributions of the highly compensated employees to which they are related. (For definition of family member, see page 33)

* Adjusted annually for years after 1987 by the cost-of-living index.

** Excluding employees who have less than 6 months of service, work less than 17.5 hours weekly or 6 months annually, are under age 21, are in collective bargaining units or are nonresident aliens.

Step # 2: Determine Average Deferral Percentage

To calculate the Average Deferral Percentage (ADP) for the non-highly compensated group of employees, first, list the percentage amount each non-highly paid eligible employee actually contributes to the salary deferral SEP, including 0% when applicable. Second, add the deferral percentage amounts of all the non-highly paid employees. Third, divide the total deferral percentage of all the non-highly paid employees by the total number of non-highly compensated employees.

Worker	Salary	Deferral	Percentage
Employee W	\$35,000	\$1,750	5%
Employee X	30,000	1,200	4
Employee Y	25,000	0	0
Employee Z	12,000	840	7

Actual Deferral Percentage = 5% + 4% + 0% + 7% = 4%

4

Reminder: The ADP test does not depend on how much the employee deferred, only on the percentage.

Step # 3: Determine the Maximum Allowable Contribution By A Highly Compensated Employee

To determine the maximum deferral percentage for the highly compensated employees, multiply the average deferral percentage of the non-highly compensated employees by 1.25%. Using the above example, 4% x 1.25 = 5%. Second, multiply the salary of each highly compensated employee by 5% to obtain their maximum deferral amount. If, after your contribution, you find there are highly compensated employees who are not in accordance with the maximum, you must have them adjust their deferrals to comply.

Worker	Salary	Deferral	Maximum Allowable Deferral
Employee Q	\$95,000	\$0	\$4,750
Employee R Officer	\$60,000	\$3,000	\$3,000

Reminder: Remember that each individual's limit is bound by the percentage allowed no matter how much other highly compensated employees choose to defer or not to defer.

Timing of the Top-Heavy and ADP Tests

Usually these tests are run when the plan is installed and at the end of the year, however, any time there are changes in the deferral amounts, you should rerun these tests to be sure the SAR-SEP meets the rules. If a highly compensated employee's deferral exceeds the maximum, the employer

must notify that employee no later than 21/2 months after the end of the plan year (i.e., March 15 for a calendar year plan), in order to avoid a 10% excise tax on the employer. That notification must contain an explanation of various tax penalties which the employee could suffer if the excess deferrals (and the income attributable to the excess) are not withdrawn by April 15 following the calendar year in which the excess deferrals were made.

Reminder: By performing the ADP and top-heavy tests at least semiannually, adjustments to contribution rates may be made before the end of the year and over-funding is less likely.

Overall Limits to SAR-SEP Contributions

A SAR-SEP plan allows for both employer and employee contributions. Salary deferral limits for each participant are limited to \$8,994*, and the combination of employer contributions and employee deferrals may not exceed the lesser of 15% of annual compensation or \$30,000. For purposes of the 15% limit, a participant's "compensation" is reduced by his or her elective deferrals.

*Adjusted annually for inflation.

Calculating Integrated SEP-IRAs and SAR-SEPs

Employer contributions can be "integrated" with Social Security. Because Social Security provides proportionately higher benefits to lower paid employees, integrating a SEP can be used to allow higher proportionate contributions for higher paid employees. The common way to integrate a SEP plan is to use an "excess" or "step rate.". The following example shows how to calculate integration :

Step #1: Calculate Base Contribution Percentage

First, calculate the base contribution percentage of each eligible employee's compensation. For the purposes of this example, let's assume a 12% base contribution for all participants. Note, in this example the 12% base contribution percentage for the owner is applicable on earnings up to the Social Security wage base of \$57,600 (for 1993).*

Worker	Salary	Base Applicable	Contribution Salary	Contribution Percent	Contribution Amount
Owner	\$ 90,000		\$57,600	x 12%	= \$6,912
Employee W	35,000		35,000	x 12%	= 4,200
Employee X		30,000	30,000	x 12%	
	=				3,600
Employee Y		25,000	25,000		
x 12%	=				3,000
		\$180,000			\$17,712

Step #2: Allocate the "Excess" Contribution Percentage

Determine the "excess" contribution percentage for higher paid employees. The "excess" contribution percentage may not exceed the lesser of: a) twice the base contribution percentage or b) the base contribution percentage plus 5.7%. The maximum "excess contribution percentage you may contribute is 17.7% (12% plus 5.7%) of each eligible employee's compensation over the Social Security taxable wage base of \$57,600* (the integration level). In this example only the owner has a salary that is over \$57,600.*

Worker	Applicable Salary	Highly Paid Employee Maximum		
Owner	\$32,400	x 17.7%	=	\$ 5,735
Employee W	35,000	x 0%	=	----
Employee X	30,000	x 0%	=	----
Employee Y	25,000	x 0%	=	----
				\$ 5,735

Step #3: Determine Deduction Rate

To make sure the overall percentage total contribution relative to the total salary base does not exceed the 15% deduction limit, divide the total allowable deferral by the total employee compensation. Using the example above: \$23,447/\$180,000 = 13.0%. Therefore, the total contribution relative to the total salary base does not exceed the deduction limit of 15% .

Worker Total Allowable Contribution

Owner \$ 12,647
 Employee W 4,200
 Employee X 3,600
 Employee Y 3,000
 \$23,447

* The Taxable Wage Base will be adjusted annually for inflation.

OPPENHEIMERFUNDS SIMPLIFIED EMPLOYEE PENSION
 SALARY REDUCTION AGREEMENT

This Agreement is entered into between _____

(Employee)

and _____

(Employer)

Effective _____, the Employer is authorized to reduce my Compensation:

(check one)

by _____ percent (____%), or

by \$ _____

[Note (to be completed by the Employer for the benefit of the Employee): You must select a percentage in increments of ____%. A reduction in your salary for any Plan Year may not exceed ____% of your Compensation for that Plan Year. Furthermore, a reduction in your salary for any calendar year (irrespective of the plan year) may not exceed \$ _____.]

The Employer will deduct from my pay on a

(check one)

weekly basis

bi-weekly basis

monthly basis

_____ basis

an amount from my Compensation for such period equal to the percentage or the dollar amount by which I have elected to reduce my Compensation in this Agreement. I direct the Employer to invest all of the contributions as indicated below:

Name of Fund(s)* Dollars Per Pay Period
 (\$25 minimum cont. per fund)

\$
 \$
 \$
 \$
 \$
 Total \$

*See the list of OppenheimerFunds available for SAR-SEP investments on page 8 of this booklet.

In executing this Agreement, the undersigned understands:

1) The Employer will contribute to my SEP-IRA by the amount which I have reduced my Compensation under this Agreement (my "elective deferrals"). "Compensation" means my total wages from the Employer, including bonuses, commissions or overtime, and any other payments includable in my gross income, but does not include any amounts in excess of \$200,000 (as annually adjusted for inflation by the IRS). My elective deferrals are not subject to federal income tax until distributed from the Plan, but my elective deferrals are subject to Social Security taxes. The Employer shall deduct from my remaining Compensation my Social Security tax liability on my elective deferrals. (Choose a or b)

(a) The Employer is authorized to apply the reduction percentage or dollar amount I have indicated above to all my Compensation during the specified period, including bonuses.

(b) The Employer is authorized to apply the reduction percentage or dollar amount I have indicated above to all my Compensation during the specified period, except bonuses.

2) This Agreement shall remain in effect until I revoke the Agreement. I may revoke my Salary Reduction Agreement as of _____ . Once I revoke my _____ (to be completed by Employer) Agreement, I may not file a new Agreement with an effective date earlier than _____. (to be completed by Employer)

3) I may modify my salary reduction percentage or dollar amount as of _____. (to be completed by Employer)

4) If I enter into a Salary Reduction Agreement subsequent to the date of this Agreement, it shall act as a revocation of this Agreement.

5) This Agreement is subject to approval by the Employer, which the Employer will indicate by executing this Agreement. At least 50% of all Employees must agree to make elective deferrals for a particular Plan Year or this Agreement will not be effective for that Plan Year, irrespective of whether the Employer approves the Agreement. If the Plan does not satisfy this 50% participation requirement, the Employer will refund to me any Compensation it has withheld from me.

SIGNATURES:

Participant: _____

Dated: _____

Employer

By: _____

Title: _____

Dated: _____

Please return this form to the Employer

[Note to Employer: In the "Note" following the selection of the deferral percentage, the Employer should complete the dollar limit for a calendar year with the adjusted limitation prescribed by the Secretary of the Treasury under Code section 402(g).

The information to be included in paragraphs 2 and 3 above can be found in Section 4 of the Adoption Agreement.]

Sample SEP-IRA Announcement Letter for Employees

To: All Employees:

I am happy to inform you that [Employer name] is planning to adopt a new type of employee retirement plan on your behalf. It is a Simplified Employee Pension Plan or "SEP-IRA." This program will provide you with a number of important benefits - most importantly it will help you seek to achieve a comfortable retirement.

Because the actual plan is a complex legal document written to comply with Internal Revenue Service requirements, the enclosed Information Booklet was prepared to help explain and summarize the important features of the Plan. In addition, we will be holding a meeting on _____ to explain and answer any questions you may have about the Plan. However, here are some important features for you to keep in mind:

Under this Plan, [Employer name] will make a discretionary contribution to an OppenheimerFunds Individual Retirement Account (IRA) that you establish, if you are an "eligible" employee. The contribution is completely vested and the company has no claim on it.

Under this Plan, you own your IRA at all times. However, you must maintain your SEP-IRA with OppenheimerFunds (although you are free to take distributions from your OppenheimerFunds IRA or to transfer amounts to another IRA at any time, subject to a temporary restriction on the transfer of elective deferral contributions). A retirement planning specialist [insert name of Financial Advisor] from [Firm Name] will work with you on all matters regarding your account.

Your retirement dollars will build up tax-deferred. That means that no current taxes are paid on earnings within your IRA until assets are

withdrawn, usually at retirement.

Please read the enclosed IRA Trust Agreement and Disclosure Statement and Employee Information Booklet for a full description of eligibility and all contribution limits and plan rules. If after reading this and attending the meeting you find you still have questions or need more information, (Name of Employer Representative) will be happy to consult with you individually.

Sincerely,

(Name and Title of Employer Representative)

Sample SAR-SEP Announcement Letter for Employees

To: All Employees:

I am happy to inform you that [Employer name] is planning to adopt a new type of employee retirement plan. It is a Salary Reduction Simplified Employee Pension Plan or "SAR-SEP." This program will provide you with a number of important benefits - most importantly it will help you seek to achieve a comfortable retirement.

Because the actual plan is a complex legal document written to comply with Internal Revenue Service requirements, the enclosed Information Booklet was prepared to help explain and summarize the important features of the Plan. In addition, we will be holding a meeting on _____ to explain and answer any questions you may have about the Plan. However, here are some important features for you to keep in mind:

Under this Plan, you can designate that a certain portion of your salary be invested into an OppenheimerFunds Individual Retirement Account (IRA) that you establish, if you are an "eligible" employee. The contribution is completely vested and the company has no claim on it.

Deductions from your salary are made before taxes through regular payroll deductions. This means your taxable income may be reduced by as much as \$8,994 per year (adjusted annually)

Under this Plan, you own your IRA at all times. However, you must maintain your SAR-SEP with OppenheimerFunds (although you are free to take distributions from your OppenheimerFunds IRA or to transfer amounts to another IRA at any time, subject to a temporary restriction on the transfer of elective deferral contributions). A retirement planning specialist [insert name of Financial Advisor] from [Firm Name] will work with you on all matters regarding your account.

Your retirement dollars will build up tax-deferred. That means that no current taxes are paid on earnings within your IRA until assets are withdrawn, usually at retirement.

Please read the enclosed IRA Trust Agreement and Disclosure Statement and Employee Information Booklet for a full description of eligibility and all contribution limits and plan rules. If after reading this and attending the meeting you find you still have questions or need more information, (Name of Employer Representative) will be happy to consult with you individually.

Sincerely,

(Name and Title of Employer Representative)
OPPENHEIMERFUNDS SEP/SAR-SEP ADOPTION AGREEMENT

Name of Plan:
Simplified Employee Pension Plan.

1. Employer Information:

Name of Employer Employer Identification Number

Business Address Telephone Number

State, Zip Code

Ending Date of Fiscal Year

The Employer is a: -----

Sole Proprietorship
(Owner-Employee Only)

Sole Proprietorship
(with Employees)

Corporation/Partnership

2. Participation Requirements:

Each Employee of the Employer who meets the requirements specified below shall become a Participant on the first day of the Plan Year during which such requirements are attained.

A. Service Requirement (complete)

Employees must perform service for the Employer during at least (shall not exceed 3) of the immediately preceding 5 years; and

B. Age Requirement (check one)

None
Employees must attain the age of

shall not exceed

21); and

C. Class Requirements (optional)

All employees will be eligible to participate in the Plan with the exception of the following: (check one

or more)

Employees with total Compensation during the tax year of less than \$300 (as adjusted annually pursuant to Code Section 408(k)(8)).

Non-resident Alien Employees who have received no earned income from the Employer which constitutes earned income from sources within the United States.

Employees who are included in a unit of employees covered by a collective bargaining agreement which was preceded by good faith bargaining over retirement benefits.

3. Annual Employer Contributions:

Employer Contributions to the Plan for a Plan Year, if any, shall be made in accordance with the terms of the Plan and the Employer's election below, provided that the contribution on behalf of each Participant is limited to the lesser of 15% of the first \$200,000 of the Participant's Compensation or \$30,000.

(check A, B, C, D or E and complete if applicable)

A. Discretionary Non-Integrated Plan - The Employer's discretionary contribution, if any, shall be allocated to the Account of each Participant in the same portion as such Participant's Compensation (not in excess of \$200,000 as adjusted annually pursuant to Code Section 408(k)(8)) bears to all Participants' Compensation for that year.

B. Discretionary Integrated Plan - The Employer's discretionary contribution if any, shall be allocated to the Account of each Participant as provided in Section 4.2(a) of the

Plan.

The Integration Level is equal to: (check one)

The Taxable Wage Base (i.e., the contribution and benefit base in effect under Section 230 of the Social Security Act at the beginning of the Plan Year); or ____% of the Taxable Wage Base (not to exceed 100%).

C. Flat Dollar Plan - The Employer shall make a contribution of \$ _____ for each Participant (not to exceed \$30,000).

D. Definite Non-Integrated Plan - The Employer shall make a contribution of ____% (not to exceed 15%) of each Participant's Compensation for the Plan Year not in excess of \$200,000 (as adjusted annually pursuant to Code Section 408(k)(8) and determined without regard to the Employer Contributions to the loan), or \$30,000.

E. Definite Integrated Plan - The Employer shall contribute an amount equal to ____% (i.e., the base contribution percentage which must not be less than 3%) of each Participant's Compensation for the Plan Year, up to the Integration Level plus ____% (not less than 3% and not to exceed the base contribution percentage by more than the lesser of: (i) the base contribution percentage or (ii) the maximum disparity rate) of such Participant's Compensation in excess of the Integration Level.

The Integration Level shall be equal to the Taxable Wage Base or such lesser amount elected by the Employer below:

The Integration Level is equal to: (check one)

The Taxable Wage Base (i.e., the contribution and benefit base in effect under Section 230 of the Social Security Act at the beginning of the Plan Year); or ____% of the Taxable Wage Base (not to exceed 100%).

Except as provided below, the maximum disparity rate is equal to the lesser of:

- (i) 5.7% or
(ii) The applicable percentage determined in accordance with the table below:

Table with 3 columns: More than, But not more than, The Applicable Percentage is. Rows include \$0, X*, 80% of TWB and corresponding percentages (5.7%, 4.3%, 5.4%).

*X = the greater of \$10,000 or 20% of the TWB

**Y = any amount more than 80% of the TWB but less than 100% of the TWB

If the Integration Level is equal to the Taxable Wage Base, the applicable percentage is 5.7%.

4. Elective Deferrals: (check one)

A. Employees will be permitted to make Elective Deferrals pursuant to Section 4.4 of the Plan, provided an Employee has executed the OppenheimerFunds Simplified Employee Pension Salary Reduction Agreement.

Employees will not be permitted to make Elective Deferrals to the Plan.

B. A salary reduction agreement may specify a percentage or a dollar amount by which the Participant reduces his/her Compensation. The Participant's salary reduction percentage must equal an increment of percent (%). The Employer shall not apply the salary reduction agreement to a bonus unless the salary reduction agreement specifies its application to bonuses. A Participant's total Elective Deferrals for the Plan Year may not exceed percent (%) of Compensation for the Plan Year (no more than 15%).

C. A Participant may revoke a salary reduction agreement:

Once during any Plan Year but not later than _____ of the Plan Year;

As of the first day of any month; or

Other (specify, must be at least once a year)

D. A Participant who revokes his/her salary reduction agreement may file a new salary reduction agreement with an effective date:

No earlier than the first day of the next Plan Year;

As of the first day of any month subsequent to the agreement;

or

Other (specify, must be at least once a year)

E. A Participant may modify his/her salary reduction agreement increase or decrease the rate of

5. Top-Heavy Contributions:

Unless another simplified employee pension plan or Section 401(a) qualified plan of the Employer is designated in the space below to satisfy the top-heavy contribution requirements of Code Section 416, for each Plan Year the Plan is top-heavy, the Employer will make a minimum contribution to the Account of each

Participant who is a Non-Key Employee, which, in combination with

other Employer Contributions, if any, shall be equal to the lesser of 3% of such Participant's Compensation or a percentage of Compensation equal to the percentage of Compensation at which Elective Deferrals and Employer Contributions are made under the Plan for the year for the Key Employee for whom such percentage is the largest.

(If applicable, name the qualified plan or SEP plan, other than this Plan, in which the minimum top-heavy contribution will be made.)

6. Effective Date: (check one)

A. The Plan shall become effective as of the first day of the Employer's current fiscal year.

The Plan shall become effective as of the following date:

(month) (day) (year)

7. Plan Year:

The Plan Year shall be the calendar year ending each December 31st.

The Plan Year shall be the Employer's fiscal year.

8. Employer's Statement:

The Employer named above hereby adopts the Plan in accordance with its terms and conditions and agrees to provide each Participant with a current copy of this Adoption Agreement, the Plan, and, if Employees are permitted to make Elective Deferrals, the Notice to Employees.

Name:

Title:

Signature:

Date:

OPPENHEIMERFUNDS
PROTOTYPE SIMPLIFIED EMPLOYEE PENSION PLAN

Terms and Conditions

ARTICLE 1 - INTRODUCTION

By executing the related Adoption Agreement, the Employer has established a simplified employee pension plan intended to be in accordance with Code Section 408(k), as amended from time to time.

ARTICLE 2 - DEFINITIONS

2.1 "Account" means an OppenheimerFunds Individual Retirement Account which meets the requirements of Code Section 408(a).

2.2 "Adoption Agreement" means the accompanying instrument executed by the Employer which establishes a definite, written allocation formula and participation requirements and whereby the Plan is adopted.

2.3 "Code" means the Internal Revenue Code of 1986, as amended.

2.4 "Compensation" means:

(a) Wages, salaries, and fees for professional services and other amounts received (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Employer maintaining the Plan to the extent that the amounts are includable in gross income (including, but not limited to, commissions paid salesmen, compensation for services on the basis of a percentage of profits, commissions on insurance premiums, tips, bonuses, fringe benefits, and reimbursements, or other expense allowances under a nonaccountable plan (as described in Section 1.61-2(c) of the Regulations)), and excluding the following:

(i) Employer contributions to a plan of deferred compensation which are not includable in the Employee's gross income for the taxable year in which contributed, or Employer contributions under a simplified employee pension plan, or any distributions from a plan of deferred compensation;

(ii) Amounts realized from the exercise of a non-qualified stock option, or when restricted stock (or property) held by the Employee either becomes freely transferable or is no longer subject to a substantial risk of forfeiture;

(iii) Amounts realized from the sale, exchange or other disposition of stock acquired under a qualified stock option; and

(iv) Other amounts which receive special tax benefits or contributions made by the Employer towards the purchase of an annuity contract described in Code Section 403(b) (whether or not the contributions are actually excludable from the gross income of the Employee).

(b) For self-employed individuals covered under the Plan, Compensation will mean earned income as defined in Code Section 401(c)(2).

(c) Compensation shall only include that Compensation which is actually paid to the Participant during the year.

(d) Notwithstanding paragraph (a), above, Compensation shall include any amount which is contributed by the Employer pursuant to a salary reduction agreement and which is not includable in the gross income of the Employee under Code Sections 125, 402(a)(8), 402(h) or 403(b).

(e) The annual Compensation of each Participant taken into account under the Plan for any year shall not exceed \$200,000 (as adjusted annually in accordance with Code Section 408(k)(8)). The dollar increase in effect on January 1 of any calendar year is effective for years beginning in such calendar year and the first adjustment to the \$200,000 limitation is effective on January 1, 1990. If a Plan determines Compensation on a period of time that contains fewer than 12 calendar months, then the annual Compensation is an amount equal to the annual Compensation limit for the calendar year in which the Compensation period begins multiplied by the ratio obtained by dividing the number of full months in the period by 12.

2.5 "Deferral Percentage" means the ratio (expressed as a percentage) of the sum of the Elective Deferrals under the Plan on behalf of an Employee for the Plan Year to the Employer's Compensation for the year. The Deferral Percentage of an Employee who is eligible to make Elective Deferrals, but who does not make a deferral during the year, is zero.

2.6 "Elective Deferrals" means contributions made during the Plan Year by the Employer, at the election of the Participant, in lieu of cash compensation and shall include contributions made pursuant to a salary reduction agreement.

2.7 "Employee" means any individual who is employed by the Employer.

2.8 "Employer" means each person or organization who adopts this Plan by executing an Adoption Agreement, and any other person or organization which is a member with the Employer of the same controlled group of corporations as defined in Code Section 414(b), which is a trade or business (whether or not incorporated) under the same common control as defined in Code Section 414(c) or which is a member of an affiliated service group within the meaning of Code Section 414(m) or any entity required to be aggregated with the Employer under Code Section 414(o).

2.9 "Employer Contributions" means contributions made by the Employer which are not Elective Deferrals.

2.10 "Highly Compensated Employee" means an individual defined in Code Section 414(q) who during the current or preceding year:

(a) was a 5% owner of the Employer as defined in Code Section 416(i)(1)(B)(i); (b) received Compensation in excess of \$50,000, as adjusted pursuant to Code Section 415(d), and was in the top-paid group (the top 20% of Employees by Compensation); (c) received Compensation in excess of \$75,000, adjusted pursuant to Code Section 415(d); or (d) was an officer and received Compensation in excess of 50% of the dollar limit under Code Section 415 for defined benefit plans.

2.11 "Family Member" means an individual who is related to a Highly Compensated Employee as a spouse or as a lineal ascendant (such as a parent or grandparent) or descendant (such as a child or grandchild) or spouse of either of those, in accordance with Code Section 414(q) and the regulations thereunder.

2.12 "Integration Level" means the lesser of the Taxable Wage Base or the amount elected by the Employer in the Adoption Agreement.

2.13 "Key Employee" means any Employee or former Employee who at any time during the Plan Year or any of the four preceding Plan Years is:

(a) an officer of the Employer if such individual's annual Compensation is greater than 50% of the amount in effect under Code Section 415(b)(1)(A);

(b) one of ten Employees having annual Compensation from the Employer of more than the limitation in effect under Code Section 415(c)(1)(A) and owning (or considered an owner under Code Section 318) the largest interests in the Employer, or exceeds the dollar limitation under Code Section 415(c)(1)(A);

(c) a 5% owner of the Employer; or

(d) a 1% owner of the Employer who has an annual Compensation of more than \$150,000.

The determination of who is a Key Employee will be made in accordance with Code Section 416(i)(1) and the regulations thereunder.

2.14 "Maximum Disparity Rate" is equal to the lesser of:

(a) 2.7%, or

(b) the applicable percentage determined in accordance with the table below:

If the Integration Level:

is more than	but not more than	the applicable percentage is:
\$0	X*	2.7%
X*	80% of Taxable Wage Base	1.3%
80% of Taxable Wage Base	Y**	2.4%

TWB = Taxable Wage Base

X* = The greater of \$10,000 or 20% of the Taxable Wage Base

Y** = Any amount more than 80% of the Taxable Wage Base but less than 100% of the Taxable Wage Base.

If the Integration Level used is equal to the Taxable Wage Base, the applicable percentage is 2.7%. For purposes of the above allocation, only the first \$200,000 (as adjusted annually in accordance with Code Section 408(k)) of a Participant's Compensation can be used. In no event can the amount allocated to each Participant's Account exceed the lesser of 15% of the first \$200,000 of Compensation or \$30,000.

2.15 "Non-Highly Compensated Employee" means an Employee of the Employer who is neither a Highly Compensated Employee nor a Family Member.

2.16 "Non-Key Employee" means any Employee who is not a Key Employee.

2.17 "Owner-Employee" means an individual who owns more than 10% of either the capital interest or profits interest of the Employer which is an unincorporated business.

2.18 "Participant" means an Employee who meets the eligibility requirements specified in the Adoption Agreement.

2.19 "Plan" means this simplified employee pension plan as established in accordance with the Adoption Agreement.

2.20 "Plan Year" means the calendar year ending each December 31st, or at the election of the Employer, the Employer's fiscal year. The initial Plan Year shall commence on the effective date of the Plan as set

forth in the Adoption Agreement.

2.21 "Taxable Wage Base" means the contribution and benefit base in effect under Section 230 of the Social Security Act in effect as of the beginning of the Plan Year.

2.22 "Top-Heavy Plan" means this Plan is a Top-Heavy Plan for any Plan Year if, as of the last day of the previous Plan Year (or current Plan Year if this is the first year of the Plan) the total of the Employer Contributions made on behalf of Key Employees for all the years this Plan has been in existence exceeds 60% of such contributions for all Employees. If the Employer maintains (or maintained within the prior five years) any other SEP or defined contribution plan in which a Key Employee participates (or participated), the contributions or account balances, whichever is applicable, must be aggregated with the contributions made to the Plan. The Contributions (and account balances, if applicable) of an Employee who ceases to be a Key Employee or of an individual who has not been in the employ of the Employer for the previous five years shall be disregarded. The identification of Key Employees and the top-heavy calculation shall be determined in accordance with Code Section 416 and the regulations thereunder. For purposes of determining whether a Plan is a Top-Heavy Plan, Elective Deferrals are considered Employer Contributions.

ARTICLE 3 - PARTICIPATION

3.1 Coverage. The Plan shall cover each Employee (including all Employees of controlled groups as described in Section 414(b) of the Code, groups under common control as described in Section 414(c) of the Code, and affiliated service groups as described in Section 414(m) of the Code, and all leased employees who are not employees of the Employer but are required to be treated as employees of the Employer under Section 414(n) of the Code, and all employees required to be aggregated under Section 414(o) of the Code) who satisfies the service requirements set forth in the Adoption Agreement.

3.2 Elective Deferral Participation Requirement. If the Employer elects in the Adoption Agreement to permit Elective Deferrals, Elective Deferrals shall only be permitted for a Plan Year if the Employer had no more than 25 Employees at all times during the prior Plan Year (or such other number as stated in Code Section 408(k)(6)(B)) who were eligible to participate in the Plan and not less than 50% of the Employees eligible to participate elect to have Elective Deferrals contributed to their Accounts on their behalf. If the Employer is a new Employer which had no Employees during the prior Plan Year, the Employer will meet the limitation of Code Section 408(k)(6)(B) if it had 25 (or such other number as stated in Code Section 408(k)(6)(B)) or fewer Employees throughout the first 30 days that it was in existence.

3.3 Failure to Meet Elective Deferral Participation Requirement. If the 50% requirement of Section 3.2, above, is not satisfied as of the end of any Plan Year, all Elective Deferrals made by Employees for that Plan Year shall be considered "disallowed deferrals," i.e., IRA contributions that are not Elective Deferrals. The Employer shall notify each affected Employee, within 2 1/2 months after the end of the Plan Year to which the disallowed deferrals relate, that the deferrals are no longer considered Elective Deferrals. Such notification shall specify the amount of the disallowed deferrals and the calendar year of the Employee in which they are includable in income. The Employer must also provide an explanation of applicable penalties if disallowed deferrals are not withdrawn in a timely fashion. The notice to an affected Employee must state specifically:

(a) The amount of the disallowed deferrals;

(b) That the disallowed deferrals are includable in the Employee's gross income for the calendar year or years in which the amounts deferred would have been received by the Employee in cash had the Employee not made an election to defer, and that the income allocable to such disallowed deferrals is includable in the year withdrawn from the Account; and

(c) That the Employee must withdraw the disallowed deferrals (and allocable income) from the Account by April 15 following the calendar year of notification by the Employer. Those disallowed deferrals not withdrawn by April 15 following the year of notification will be subject to the IRA contribution limitations of Code Sections 219 and 408 and thus, may be considered an excess contribution to the Employee's Account. Disallowed deferrals may be subject to the 6% tax on excess contributions under Section 4973. If income allocable to disallowed deferral is not withdrawn by April 15 following the year of notification by the Employer, the income may be subject to the 10% tax on early distributions under Section 72(t) when withdrawn. Disallowed deferrals are reported in the same manner as excess contributions as described in Article 5.

ARTICLE 4 - CONTRIBUTIONS

4.1 Establishment of Account. When a Participant first becomes

eligible for contributions, the Employer shall arrange for the Participant to establish an Account. The establishment of an Account for an Employee shall be made at or prior to the time a contribution is made by the Employer. The Employer may execute any necessary documents on behalf of an Employee who is entitled to an Employer contribution if the Employee is unable or unwilling to execute such documents or the Employer is unable to locate the Employee. Contributions shall be made directly to the trustee or custodian so specified by the Account.

4.2 Employer Contributions. Each Plan Year, the Employer shall make contributions, if any, to the Plan in accordance with the Employer's election in Section 3 of the Adoption Agreement. Such Employer Contributions shall be allocated to a Participant's Account as follows:

(a) Discretionary Integrated Plans - If the Employer elects in the Adoption Agreement a discretionary integrated Plan (i.e., correlating benefits or contributions under the Plan with those under Social Security), Employer Contributions, if any, shall be allocated to each Participant's account as follows: (i) amounts of each annual discretionary Employer Contribution shall first be allocated to each Participant's Account in the ratio that each Participant's Compensation for the Plan Year bears to all Participants' Compensation, but not in excess of 3% of each Participant's Compensation; (ii) next, any annual discretionary Employer Contribution remaining after the allocation described in (i) above will be allocated to each Participant's Account in the ratio that each Participant's Compensation for the Plan Year in excess of the Integration Level bears to the Compensation of all Participants in excess of the Integration Level, but not in excess of 3%; (iii) next, any annual discretionary Employer Contributions remaining after the allocation described in (ii) above will be allocated to each Participant's Account in the ratio that the sum of each Participant's Compensation and Compensation in excess of the Integration Level bears to the sum of all Participants' Compensation and Compensation in excess of the Integration Level, but not in excess of the Maximum Disparity Rate; and (iv) any remaining annual discretionary Employer Contributions will be allocated to each Participant's Account in the ratio that each Participant's Compensation for the Plan Year bears to all Participant's Compensation for that Plan Year.

(b) Discretionary Non-Integrated Plans - If the Employer elects in the Adoption Agreement a discretionary non-integrated Plan, Employer Contributions, if any, shall be allocated to each Participant's Account in the same proportion as such Participant's Compensation for the Plan Year bears to all Participants' Compensation for that Plan Year.

(c) Flat Dollar Plans - If the Employer elects in the Adoption Agreement a flat dollar Plan, the Employer will allocate such flat dollar amount as specified in the Adoption Agreement to each Participant's Account.

(d) Definite Non-Integrated Plans - If the Employer elects in the Adoption Agreement a definite non-integrated Plan, the Employer will allocate to each Participant's Account that percentage of the Participant's Compensation as specified in the Adoption Agreement.

(e) Definite Integrated Plans - If the Employer elects in the Adoption Agreement a definite integrated Plan, the Employer shall allocate to each Participant's Account the amount determined in accordance with the formula specified in the Adoption Agreement.

If the Employer maintains an integrated qualified plan at any time during the Plan Year, the Employer shall allocate its contribution under this Plan for the Plan Year under the nonintegrated allocation formula, irrespective of the Employer's election in the Adoption Agreement. An integrated qualified plan is a plan meeting the requirements of Code Section 401(a) or Code Section 403(a), under which contributions or benefits are integrated with Social Security.

Employment by a Participant on the last day of the Plan Year is not a condition to an allocation of an Employer Contribution under the Plan for that Plan Year. However, the Employer shall not make a contribution for a particular Plan Year for any Employee whose compensation (as defined in Code Section 414(q) (7)) is less than \$300 during that Plan Year (or such larger amount as the Commissioner of Internal Revenue may prescribe).

Except as provided in Sections 4.2(a) and 4.2(e), all Employer Contributions to the Plan shall bear a uniform relationship to the total Compensation (not to exceed \$200,000, as adjusted annually per Code Section 408(k) (8)) of each Participant. If the Employer elects in the Adoption Agreement to make flat dollar contributions, such contributions shall be deemed to bear a uniform relationship to the total Compensation of each Participant.

4.3 Limitation on Employer Contributions. The total of the Employer Contributions (as determined under Section 4.2) allocated to a Participant's Account for any Plan Year shall not exceed the lesser of 15% of the Participant's Compensation or \$30,000 (as indexed for cost-of-living increases in accordance with Code Section 415(d)).

4.4 Elective Deferrals. If elected by the Employer in the Adoption Agreement, each Employee may elect to have the Employer make a contribution under this Plan on behalf of such Employee in lieu of cash payments, through either single sum or continuing contributions, or both, pursuant to a salary reduction agreement, provided:

(a) the Employer did not have more than 25 Employees eligible to participate in the Plan at any time during the preceding year (or such other number as stated in Code Section 408(k)(6)(B));

(b) an election under this section is made or in effect for at least 50% of the Employees of the Employer;

(c) the Deferral Percentage for each Highly Compensated Employee is not more than the product of 1.25 times the Deferral Percentage for Non-Highly Compensated Employees. For purposes of determining the Deferral Percentages of a Highly Compensated Employee who is a 5% owner or one of a group of the ten most Highly Compensated Employees, the Elective Deferrals and Compensation shall include the Elective Deferrals and Compensation of Family Members, and each such Family Member shall be disregarded in determining the Deferral Percentage for Participants who are Non-Highly Compensated Employees. The Deferral Percentage calculation and the number and identity of Highly Compensated Employees shall be made on the basis of the Employer and all entities required to be aggregated with the Employer as described in Section 2.7. The determination and treatment of the Elective Deferrals and Deferral Percentage of any Participant shall be made in accordance with Code Section 408(k)(6) and shall satisfy such other requirements as may be prescribed by the Secretary of Treasury;

(d) the Employer is not a state or local government or political subdivision thereof, or an agency or instrumentality thereof or a tax-exempt organization. No deferred election may be based on Compensation an Employee received, or had a right to receive, before executing the Salary Reduction Agreement.

4.5 Limitation on Elective Deferrals. A Participant's Elective Deferrals for a calendar year may not exceed \$8,994 for 1993 (as indexed pursuant to Code Section 402(g)(5)). The \$8,994 limit applies to the total elective deferrals the Participant makes for the calendar year under the Plan and under any cash or deferred arrangement described in Code Section 401(k) and any salary reduction arrangement described in Code Section 403(b). The limit may be increased to \$9,500 if the Participant makes elective deferrals to a salary reduction arrangement under Code Section 403(b). Under no circumstances may a Participant's Elective Deferrals in any calendar year exceed the lesser of 15% of his or her Compensation (less Employer Contributions) or the limitation under Code Section 402(g). The deferral limit is 15% of Compensation (less Employer Contributions). Compute this amount using the following formula: Compensation (before subtracting Employer Contributions) x 13.0435%.

4.6 Excess Elective Deferrals. If, pursuant to a salary reduction agreement, the Employer determines the Participant's Elective Deferrals for a calendar year would exceed \$8,994 (as indexed), the Employer shall suspend the Participant's salary reduction agreement until the following January 1 and shall refund any Elective Deferrals in excess of the limitation which the Employee has not contributed to the Participant's Account. The Employer shall make all refunds described in the preceding sentence no later than April 15 of the following calendar year. Excess deferrals, as adjusted for allocable income or loss, shall be withdrawn by the Participant no later than April 15 following the calendar year in which the excess occurred. Excess deferrals not withdrawn by April 15 will be subject to the IRA contribution limitations of Code Sections 219 and 408. Withdrawals of excess Elective Deferrals shall be made by notifying the Trustee of the OppenheimerFunds Individual Retirement Account, c/o Oppenheimer Shareholder Services, Retirement Plans Department, P.O. Box 5270, Denver, Colorado 80217, in writing, of the amount of the excess Elective Deferrals and requesting Oppenheimer Shareholder Services to distribute the excess Elective Deferrals, as adjusted for allocable income or loss, by the appropriate April 15.

If a Participant participates in another plan under which he/she makes elective deferrals pursuant to a Code Section 401(k) arrangement, a simplified employee pension, or salary reduction contributions to a tax-sheltered annuity, irrespective of whether the Employer maintains the other plan, he/she may provide the Employer with a written claim for excess deferrals made for a calendar year. The Participant must submit the claim no later than the March 1 following the close of the particular calendar year and the claim shall specify the amount of the Participant's Elective Deferrals under the Plan which are excess deferrals. If the Employer receives a timely claim and the Employer has not contributed the excess deferral to the Participant's Account, the Employer shall refund the excess deferral the Employee has assigned to this Plan in accordance with the distribution procedures described in the immediately preceding paragraph. If the Employer has contributed the excess deferral to the Participant's Account, the Employer shall notify the trustee of the OppenheimerFunds IRA at the address set forth above, in writing, of the

amount of the excess deferrals and request the Trustee to distribute the excess deferrals, and adjusted for allocable income or loss, by the appropriate April 15.

4.7 Multiple Plans. If the Employer maintains any other simplified employee pension plan to which non-elective Employer contributions are made for a Plan Year, or any qualified plan to which contributions are made for such Plan Year, then a Participant's Elective Deferrals may be limited to the extent necessary to satisfy the maximum contribution limitations under Code Section 415(c)(1)(A). Employer contributions to all such simplified employee pension plans and defined contribution qualified plans may not exceed (unless otherwise permitted by Code Sections 404 and 415) the lesser of \$30,000 or 15% of Compensation for any Employee. If these limits are exceeded on behalf of any Employee for a particular Plan Year, that Employee's Elective Deferrals for that year must be reduced to the extent of the excess.

4.8 Restrictions on Withdrawals. The Employer shall notify each Employee who makes Elective Deferrals for a Plan Year that, notwithstanding the prohibition on withdrawal restrictions contained in the Plan, any amount attributable on such Elective Deferrals which is withdrawn or transferred before the earlier of 2-1/2 months after the end of the particular Plan Year and the date the Employer notifies its Employees that the Deferral Percentage test has been calculated, will be includable in income for purposes of Code Sections 72(t) and 408(d)(1).

4.9 Participant Contributions. A Participant may voluntarily contribute an amount which does not exceed the maximum dollar amount specified under Code Section 219(b)(1) and Section 408.

ARTICLE 5 - EXCESS CONTRIBUTIONS

5.1 Definition of Excess Contributions. Excess contributions are the excess, if any, of Elective Deferrals with respect to a Highly Compensated Employee over the Deferral Percentage limitation described in Section 4.4(c) for such Highly Compensated Employee. Elective Deferrals by a Highly Compensated Employee must satisfy the Deferral Percentage limitation under Code Section 408(k)(6). Amounts in excess of the Deferral Percentage limitation will be deemed excess contributions on behalf of the affected Highly Compensated Employee.

5.2 Excess Contributions Includable in Gross Income. Excess contributions are includable in the Employee's gross income on the earliest date any Elective Deferrals made on behalf of the Employee during the Plan Year would have been received by the Employee, had such Employee originally elected to receive the amounts in cash. However, if the excess contributions (not including allocable income) total less than \$100, then the excess contributions are includable in the Employee's gross income in the year of notification. Income allocable to the excess contributions is includable in the year of withdrawal from the Account.

5.3 Employer Notification of Excess Contributions. The Employer shall notify each affected Highly Compensated Employee within 2 1/2 months following the end of the Plan Year to which the excess contributions relate, of any excess contributions made by such Highly Compensated Employee for the applicable year. Such notification shall specify the amount of the excess contributions and the calendar year in which the contributions are includable in income. The notification shall also provide an explanation of applicable penalties if the excess contributions are not withdrawn in a timely fashion. The notification to each affected Employee of the excess contributions must specifically state in a manner calculated to be understood by the average Employee:

(a) the amount of the excess contributions attributable to that Employee's Elective Deferrals;

(b) the calendar year in which the excess contributions are includable in gross income; and

(c) that the Employee must withdraw the excess contributions (and allocable income) from the Account by April 15 following the year of notification by the Employer.

Those excess contributions not withdrawn by April 15 following the year of notification will be subject to the IRA contribution limitations of Code Sections 219 and 408 for the preceding calendar year and thus, may be considered an excess contribution to the Employee's Account. Such excess contributions may be subject to the 6% tax on excess contributions under Code Section 4973. If income allocable to an excess contribution is not withdrawn by April 15 following the year of notification by the Employer, the income may be subject to the 10% tax on early distributions under Code Section 72(t) when withdrawn.

5.4 Failure to Notify Employees of Excess Contributions. If the Employer fails to notify any of the affected Employees within 2 1/2 months following the end of the Plan Year of an excess contribution, the Employer must pay a tax equal to 10% of the excess contribution. If the Employer fails to notify the Employees by the end of the Plan Year following the

Plan Year in which the excess contributions arose, the Plan will no longer be considered to meet the requirements of Code Section 408(k)(6). If the Plan no longer meets the requirements of Code Section 408(k)(6), then any contributions to an Employee's Account will be subject to the IRA contribution limitations of Code Sections 219 and 408 and thus, may be considered an excess contribution to the Employee's Account.

ARTICLE 6 - BENEFITS

6.1 Vesting. All contributions made to the Plan by Employer on behalf of a Participant shall be fully vested and nonforfeitable at all times.

6.2 Withdrawals. The right of a Participant to withdraw amounts contributed by Employer on such Participant's behalf shall not in any way be restricted by Employer or the Plan.

6.3 Penalty Tax. If a Participant withdraws amounts from the Plan, Participant shall be responsible for payment of the penalty tax, if any, which may be associated with the Participant's withdrawal.

ARTICLE 7 - TOP-HEAVY PLANS

7.1 Minimum Allocation. The following mandatory minimum allocation applies when this Plan is a Top-Heavy Plan:

Unless another plan of the Employer is designated in the Adoption Agreement to satisfy the Top-Heavy Plan minimum contribution requirement, the Employer will make a minimum contribution to the Account of each Participant who is not a Key Employee, which, in combination with other non-elective contributions, if any, is equal to the lesser of 3% of such Participant's Compensation or a percentage of Compensation equal to the percentage of Compensation at which elective and non-elective contributions are made under the Plan for the Year for the Key Employee for whom such percentage is the largest.

7.2 Elective Deferrals Cannot Be Used For Minimum Allocation. For purposes of satisfying the minimum allocation requirement of Section 416 of the Code, Elective Deferrals contributed for the benefit of Employees who are not Key Employees may not be used to satisfy the minimum allocation requirement.

ARTICLE 8 - MISCELLANEOUS

8.1 Administration. Except for duties specifically delegated in accordance with the terms of any Account, the Plan shall be administered by the Employer.

8.2 Limitations on Participation. If the Employer maintains or has maintained a defined benefit plan, even if now terminated, the Employer may not participate in the Plan.

8.3 Nonguarantee of Employment. Neither the establishment of this Plan nor any modification thereof nor contribution thereto, shall be construed as giving to any Participant or other person any legal or equitable right against Employer, except as provided herein; and in no event shall the terms of employment of any Employee be modified or in any way be affected hereby.

8.4 Amendments. The Employer reserves the right to change the Plan by amending the Adoption Agreement and may terminate the Plan at any time. Oppenheimer Funds Distributor, Inc. may also amend the Plan from time to time. All amendments to the Plan shall be communicated to all Participants. If the Employer amends this Plan (other than an election permitted in the Adoption Agreement), this Plan will be deemed to be an individually designed plan subject to separate submission to the IRS for approval and the Employer may no longer participate in this prototype Plan.

8.5 Approved-IRA. This Plan must be used with an Internal Revenue Service model IRA or an Internal Revenue Service-approved master or prototype IRA.

8.6 Named Fiduciary and Plan Administrator. The Employer will be the fiduciary and plan administrator of the Plan. The Employer can, by appointment, allocate the duties of the plan administrator among several individuals or entities. Such appointments will not be effective until the party designated accepts the appointment in writing. The plan administrator will have the following discretionary authority, powers and duties:

- (a) to construe and interpret the provisions of the Plan;
- (b) to decide all questions of eligibility for Plan participation;
- (c) to provide appropriate parties with information returns,

reports, descriptions, statements and documents as required by law, within the times prescribed by law and to make them available for examination as required by law;

(d) to take such other action as may be reasonably required to administer the Plan in accordance with its terms or may be provided for and required by law.

(e) to appoint and retain individuals necessary to carry out the functions of the plan administrator.

8.7 Claims Procedure. If the Employer's Plan is subject to the requirements of the Employee Retirement Income Security Act of 1974, as amended, the Employer shall establish a claims procedure which provides a Participant whose claim for benefits under the Plan has been denied a reasonable opportunity for a full and fair review.

8.8 Effective Date. The effective date of the Plan shall be as specified by the Employer in the Adoption Agreement. No Elective Deferrals may be made by an Employee on the basis of Compensation that the Employee received or had a right to receive before the adoption of this Plan and execution by the Employee of the deferral election.

8.9 Deductibility of Contributions. Contributions to the Plan by the Employer are deductible by the Employer for the taxable year with or within which the Plan Year of the Plan ends. Contributions made for a particular taxable year and contributed by the due date of the Employer's income tax return, including extensions, are deemed made in that taxable year.

8.10 Change of Plan Year. If the Employer changes the Plan Year to a year other than a calendar year, an Employee who has any service during the short year must be given credit for that service in determining whether he or she has performed services in three of the last five years. Such Employee must also receive Employer Contributions for the short year if he or she would have been entitled to an Employer Contribution for the calendar year in which the short year begins if there had been no change.

8.11 For More Information. For more information concerning the rules governing this Plan, please contact Oppenheimer Funds Distributor, Inc., P.O. Box 5270, Denver, Colorado 80217, Tel. No.1-800-525-7048.

SERVICE PLAN AND AGREEMENT

BETWEEN

OPPENHEIMER FUNDS DISTRIBUTOR, INC.

AND OPPENHEIMER INTEGRITY FUNDS

FOR CLASS A SHARES OF

OPPENHEIMER INVESTMENT GRADE BOND FUND

SERVICE PLAN AND AGREEMENT (the "Plan") dated the 22nd day of June, 1993, by and between OPPENHEIMER FUNDS DISTRIBUTOR, INC. (the "Distributor") and OPPENHEIMER INTEGRITY FUNDS (the "Trust") for Class A shares of OPPENHEIMER INVESTMENT GRADE BOND FUND (the "Fund").

1. The Plan. This Plan is the Fund's written service plan for its Class A Shares described in the Fund's registration statement as of the date this Plan takes effect, contemplated by and to comply with Article III, Section 26 of the Rules of Fair Practice of the National Association of Securities Dealers, pursuant to which the Trust on behalf of the Fund will reimburse the Distributor for a portion of its costs incurred in connection with the personal service and the maintenance of shareholder accounts ("Accounts") that hold Class A Shares (the "Shares") of such series and class of the Fund. The Trust may be deemed to be acting as distributor of securities of which it is the issuer, pursuant to Rule 12b-1 under the Investment Company Act of 1940 (the "1940 Act"), according to the terms of this Plan. The Distributor is authorized under the Plan to pay "Recipients," as hereinafter defined, for rendering services and for the maintenance of Accounts. Such Recipients are intended to have certain rights as third-party beneficiaries under this Plan.

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 institution which: (i) has rendered services in connection with the personal service and maintenance of Accounts; (ii) shall furnish the Distributor (on behalf of the Trust) with such information as the Distributor shall reasonably request to answer such questions as may arise concerning such service; 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

institution as a Recipient, whereupon such 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 two entities would otherwise qualify as Recipients as to the same Shares, the Recipient which is the dealer of record on the Fund's books shall be deemed the Recipient as to such Shares for purposes of this Plan.

3. Payments.

(a) Under the Plan, the Trust on behalf of the Fund will make payments to the Distributor, within forty-five (45) days of the end of each calendar quarter, in the amount of the lesser of: (i) .0625% (.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, or (ii) the Distributor's actual expenses under the Plan for that quarter of the type approved by the Board. The Distributor will use such fee received from the Fund in its entirety to reimburse itself for payments to Recipients incurred in connection with the personal service and maintenance of Accounts including, but not limited to, the services described in the following paragraph. 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. No portion of Plan payments will be retained by the Distributor.

The services to be rendered by Recipients in connection with the personal service and the maintenance of Accounts may include, but shall not be limited to, the following: answering routine inquiries from the Recipient's customers concerning the Fund, providing such customers with information on their investment in shares, assisting in the establishment and maintenance of accounts or sub-accounts in the Fund, making the Fund's investment plans and dividend payment options available, and providing such other information and customer liaison services and the maintenance of Accounts as the Distributor or the Fund may reasonably request. It may be presumed that a Recipient has provided services qualifying for compensation 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 services, 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 services in this regard. If the Distributor still is not satisfied,

it may take appropriate steps to terminate the Recipient's status as such under the Plan, whereupon such entity's rights as a third-party beneficiary hereunder shall terminate.

Payments received by the Distributor from the Trust under the Plan will not be used to pay any interest expense, carrying charges or other financial costs, or allocation of overhead by the Distributor, or for any other purpose other than for the payments described in this Section 3. The amount payable to the Distributor each quarter will be reduced to the extent that reimbursement payments otherwise permissible under the Plan have not been authorized by the Board of Trustees for that quarter. Any unreimbursed expenses incurred for any quarter by the Distributor may not be recovered in later periods.

(b) The Distributor shall make payments to any Recipient quarterly, within forty-five (45) days of the end of each calendar quarter, at a rate not to exceed .0625% (.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, of Qualified Holdings owned beneficially or of record by the Recipient or by its Customers. 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 increase or 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 increase or decrease the number of shares constituting Minimum Qualified Holdings. The Distributor shall notify all Recipients of the Minimum Qualified Holdings 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.

(c) 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.

4. Selection and Nomination of Trustees. While this Plan is in effect, the selection or replacement of Independent Trustees and the nomination of those persons to be Trustees of the Trust who are not "interested persons" of the Trust shall be committed to the discretion of the Independent Trustees. Nothing herein shall prevent the Independent 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 Independent Trustees.

5. Reports. While this Plan is in effect, the Treasurer of the Fund shall provide at least quarterly a written report to the Trust's Board for its review, detailing the amount of all payments made pursuant to this Plan, the identity of the Recipient of each such payment, and the purposes for which the payments were made. The report shall state whether all provisions of Section 3 of this Plan have been complied with. The Distributor shall annually certify to the Board the amount of its total expenses incurred that year with respect to the personal service and maintenance of Accounts in conjunction with the Board's annual review of the continuation of the Plan.

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 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 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 Independent Trustees cast in person at a meeting called on June 22, 1993 for the purpose of voting on this Plan, and takes effect as of July 1, 1993. Unless terminated as hereinafter provided, it shall continue in effect until October 31, 1993 and from year to year thereafter or as the Board may otherwise determine only so long as such continuance is specifically approved at least annually by the Board and its Independent Trustees cast in person at a meeting called for the purpose of voting on such continuance. 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. 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.

8. Disclaimer of Shareholder and Trustee Liability. The Distributor understands that the obligations of the Trust and the Fund under this Plan are not binding upon any Trustee or shareholder of the Trust or 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 Trust and the Fund.

OPPENHEIMER INTEGRITY FUNDS on behalf of
OPPENHEIMER INVESTMENT GRADE BOND FUND

By: _____
Robert G. Zack, Assistant Secretary

OPPENHEIMER FUNDS DISTRIBUTOR, INC.

By: _____
Katherine P. Feld
Vice President & Secretary

SERVICE PLAN AND AGREEMENT

BETWEEN

OPPENHEIMER FUNDS DISTRIBUTOR, INC.

AND OPPENHEIMER INTEGRITY FUNDS

FOR CLASS A SHARES OF

OPPENHEIMER VALUE STOCK FUND

SERVICE PLAN AND AGREEMENT (the "Plan") dated the 22nd day of June, 1993, by and between OPPENHEIMER FUNDS DISTRIBUTOR, INC. (the "Distributor") and OPPENHEIMER INTEGRITY FUNDS (the "Trust") for Class A shares of OPPENHEIMER VALUE STOCK FUND (the "Fund").

1. The Plan. This Plan is the Fund's written service plan for its Class A Shares described in the Fund's registration statement as of the date this Plan takes effect, contemplated by and to comply with Article III, Section 26 of the Rules of Fair Practice of the National Association of Securities Dealers, pursuant to which the Trust on behalf of the Fund will reimburse the Distributor for a portion of its costs incurred in connection with the personal service and the maintenance of shareholder accounts ("Accounts") that hold Class A Shares (the "Shares") of such series and class of the Fund. The Trust may be deemed to be acting as distributor of securities of which it is the issuer, pursuant to Rule 12b-1 under the Investment Company Act of 1940 (the "1940 Act"), according to the terms of this Plan. The Distributor is authorized under the Plan to pay "Recipients," as hereinafter defined, for rendering services and for the maintenance of Accounts. Such Recipients are intended to have certain rights as third-party beneficiaries under this Plan.

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 institution which: (i) has rendered services in connection with the personal service and maintenance of Accounts; (ii) shall furnish the Distributor (on behalf of the Trust) with such information as the Distributor shall reasonably request to answer such questions as may arise concerning such service; 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

institution as a Recipient, whereupon such 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 two entities would otherwise qualify as Recipients as to the same Shares, the Recipient which is the dealer of record on the Trust's books shall be deemed the Recipient as to such Shares for purposes of this Plan.

3. Payments.

(a) Under the Plan, the Trust on behalf of the Fund will make payments to the Distributor, within forty-five (45) days of the end of each calendar quarter, in the amount of the lesser of: (i) .0625% (.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, or (ii) the Distributor's actual expenses under the Plan for that quarter of the type approved by the Board. The Distributor will use such fee received from the Trust in its entirety to reimburse itself for payments to Recipients incurred in connection with the personal service and maintenance of Accounts including, but not limited to, the services described in the following paragraph. 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. No portion of Plan payments will be returned by the Distributor.

The services to be rendered by Recipients in connection with the personal service and the maintenance of Accounts may include, but shall not be limited to, the following: answering routine inquiries from the Recipient's customers concerning the Fund, providing such customers with information on their investment in shares, assisting in the establishment and maintenance of accounts or sub-accounts in the Fund, making the Fund's investment plans and dividend payment options available, and providing such other information and customer liaison services and the maintenance of Accounts as the Distributor or the Fund may reasonably request. It may be presumed that a Recipient has provided services qualifying for compensation 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 services, 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 services in this regard. If the Distributor still is not satisfied,

it may take appropriate steps to terminate the Recipient's status as such under the Plan, whereupon such entity's rights as a third-party beneficiary hereunder shall terminate.

Payments received by the Distributor from the Trust under the Plan will not be used to pay any interest expense, carrying charges or other financial costs, or allocation of overhead by the Distributor, or for any other purpose other than for the payments described in this Section 3. The amount payable to the Distributor each quarter will be reduced to the extent that reimbursement payments otherwise permissible under the Plan have not been authorized by the Board of Trustees for that quarter. Any unreimbursed expenses incurred for any quarter by the Distributor may not be recovered in later periods.

(b) The Distributor shall make payments to any Recipient quarterly, within forty-five (45) days of the end of each calendar quarter, at a rate not to exceed .0625% (.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, of Qualified Holdings owned beneficially or of record by the Recipient or by its Customers. 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 increase or 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 increase or decrease the number of shares constituting Minimum Qualified Holdings. The Distributor shall notify all Recipients of the Minimum Qualified Holdings 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.

(c) 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.

4. Selection and Nomination of Trustees. While this Plan is in effect, the selection or replacement of Independent Trustees and the nomination of those persons to be Trustees of the Trust who are not "interested persons" of the Trust shall be committed to the discretion of the Independent Trustees. Nothing herein shall prevent the Independent 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 Independent Trustees.

5. Reports. While this Plan is in effect, the Treasurer of the Trust shall provide at least quarterly a written report to the Trust's Board for its review, detailing the amount of all payments made pursuant to this Plan, the identity of the Recipient of each such payment, and the purposes for which the payments were made. The report shall state whether all provisions of Section 3 of this Plan have been complied with. The Distributor shall annually certify to the Board the amount of its total expenses incurred that year with respect to the personal service and maintenance of Accounts in conjunction with the Board's annual review of the continuation of the Plan.

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 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 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 Independent Trustees cast in person at a meeting called on June 22, 1993 for the purpose of voting on this Plan, and takes effect as of July 1, 1993. Unless terminated as hereinafter provided, it shall continue in effect until October 31, 1993 and from year to year thereafter or as the Board may otherwise determine only so long as such continuance is specifically approved at least annually by the Board and its Independent Trustees cast in person at a meeting called for the purpose of voting on such continuance. 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. 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.

8. Disclaimer of Shareholder and Trustee Liability. The Distributor understands that the obligations of the Trust and the Fund under this Plan are not binding upon any Trustee or shareholder of the Trust and 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 Trust and the Fund.

OPPENHEIMER INTEGRITY FUNDS on behalf of
OPPENHEIMER VALUE STOCK FUND

By: _____
Robert G. Zack, Assistant Secretary

OPPENHEIMER FUNDS DISTRIBUTOR, INC.

By: _____
Katherine P. Feld
Vice President & Secretary

DISTRIBUTION AND SERVICE PLAN AND AGREEMENT

BETWEEN

OPPENHEIMER FUNDS DISTRIBUTOR, INC.

AND OPPENHEIMER INTEGRITY FUNDS

FOR CLASS B SHARES OF

OPPENHEIMER INVESTMENT GRADE BOND FUND

DISTRIBUTION AND SERVICE PLAN AND AGREEMENT (the "Plan") dated the 22nd day of June, 1993 by and between OPPENHEIMER FUNDS DISTRIBUTOR, INC. (the "Distributor") and OPPENHEIMER INTEGRITY FUNDS (the "Trust") for Class B shares of OPPENHEIMER INVESTMENT GRADE BOND FUND (the "Fund").

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 Trust on behalf of the Fund will compensate the Distributor for a portion of its costs incurred in connection with the distribution of Shares, and the personal service and maintenance of shareholder accounts that hold Shares ("Accounts"). The Trust 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 (1) rendering 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 Trust 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 institution 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 Trust) 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 institution as a Recipient, whereupon such 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 two entities would otherwise qualify as Recipients as to the same Shares, the Recipient which is the dealer of record on the Trust's books 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 Trust on behalf of 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 Trust will compensate the Distributor and Recipients for providing administrative support services of the type approved by the Board 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 sales 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 still is not satisfied, it may take appropriate steps to terminate the Recipient's status as such under the Plan, whereupon such entity'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 the preceding sentence 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 Maximum Holding Period, the Minimum Holding Period or the Minimum Qualified Holdings. The Distributor shall notify all Recipients of the Minimum Qualified Holdings, Maximum Holding Period or 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 Distributor is entitled to retain from the payments described in Section 3(a) the aggregate amount of (i) the Service Fee on Shares outstanding for less than the Minimum Holding Period plus (ii) the Asset-Based Sales Charge on Shares outstanding for not more than the Maximum Holding Period, in each case computed as of the close of each business day during that period and 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. Such amount is collectively referred to as the "Quarterly Limitation." The distribution assistance and administrative support services in connection with the sale of Shares to be rendered by the Distributor may include, but shall not be limited to, the following: (i) paying sales commissions to any broker, dealer, bank or other institution that sell Shares, and/or paying such persons Advance Service Fee Payments in advance of, and/or greater than, the amount provided for in Section 3(a) of this Agreement; (ii) paying compensation to and expenses of personnel of the Distributor who support distribution of Shares by Recipients; (iii) paying of or reimbursing the Distributor for interest and other borrowing costs on unreimbursed Carry Forward Expenses (as hereafter defined) at the rate paid by the Distributor or, if such

amounts are financed by the Distributor from its own resources or by an affiliate, at the rate of 1% per annum above the prime rate (which shall mean the most preferential interest rate on corporate loans at large U.S. money center commercial banks) then being reported in the Eastern edition of the Wall Street Journal (or if such prime rate is no longer so reported, such other rate as may be designated from time to time by the Distributor with the approval of the Independent Trustees); (iv) other direct distribution costs of the type approved by the Board, 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. The Distributor's costs of providing the above-mentioned services are hereinafter collectively referred to as "Distribution and Service Costs." "Carry Forward Expenses" are Distribution and Service Costs that are not paid in the fiscal quarter in which they arise because they exceed the Quarterly Limitation. 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) The excess in any fiscal quarter of (i) the Quarterly Limitation plus any contingent deferred sales charge ("CDSC") payments recovered by the Distributor on the proceeds of redemption of Shares over (ii) Distribution and Service Costs during that quarter, shall be applied in the following order of priority: first to interest on unreimbursed Carry Forward Expenses, second to reduce any unreimbursed Carry Forward Expenses, third to reduce Distribution and Service Costs during that quarter, and fourth, to reduce the Asset Based Sales Charge payments by the Trust to the Distributor in that quarter. Carry Forward Expenses shall be carried forward by the Trust until payment can be made under the Quarterly Limitation.

(e) 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.

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 Directors. 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 at least quarterly a written report to the Trust's Board for its review, detailing distribution expenditures properly attributable to the Shares, including the amount of all payments made pursuant to this Plan, the identity of the Recipient of each such payment, the amount paid to the Distributor and the Distribution and Service Costs and Carry Forward Expenses for that period. The report shall state whether all provisions of Section 3 of this Plan have been complied with. The Distributor shall annually certify to the Board the amount of its total expenses incurred that year and its total expenses incurred in prior years and not previously recovered with respect to the distribution of Shares in conjunction with the Board's annual review of the continuation of the Plan.

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 June 22, 1993 for the purpose of voting on this Plan, and takes effect as of July 1, 1993. Unless terminated as hereinafter provided, it shall continue in effect until October 31, 1993 and from year to year thereafter 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 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. Notwithstanding any such termination, the Distributor shall be entitled to payment from the Trust on behalf of the Fund of all Carry Forward Expenses properly incurred in respect of Shares sold prior to the effective date of such

termination, and the Trust shall continue to make payment to the Distributor in the amount the Distributor is entitled to retain under part (c) of Section 3 hereof, until such time as the Distributor has been reimbursed for all such amounts by the Trust on behalf of the Fund and by retaining CDSC payments.

8. Disclaimer of Shareholder Liability. The Distributor understands that the obligations of the Trust and the Fund under this Plan are not binding upon any Trustee or shareholder of the Trust or 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 Trust and the Fund.

OPPENHEIMER INTEGRITY FUNDS on behalf of
OPPENHEIMER INVESTMENT GRADE BOND FUND

By: _____
Robert G. Zack, Assistant Secretary

OPPENHEIMER FUNDS DISTRIBUTOR, INC.

By: _____
Katherine P. Feld
Vice President & Secretary

DISTRIBUTION AND SERVICE PLAN AND AGREEMENT

BETWEEN

OPPENHEIMER FUNDS DISTRIBUTOR, INC.

AND OPPENHEIMER INTEGRITY FUNDS

FOR CLASS B SHARES OF

OPPENHEIMER VALUE STOCK FUND

DISTRIBUTION AND SERVICE PLAN AND AGREEMENT (the "Plan") dated the 22nd day of June, 1993 by and between OPPENHEIMER FUNDS DISTRIBUTOR, INC. (the "Distributor") and OPPENHEIMER INTEGRITY FUNDS (the "Trust") for Class B shares of OPPENHEIMER VALUE STOCK FUND (the "Fund").

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 Trust on behalf of the Fund will compensate the Distributor for a portion of its costs incurred in connection with the distribution of Shares, and the personal service and maintenance of shareholder accounts that hold Shares ("Accounts"). The Trust 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 (1) rendering 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 Trust 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 institution 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 Trust) 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 institution as a Recipient, whereupon such 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 two entities would otherwise qualify as Recipients as to the same Shares, the Recipient which is the dealer of record on the Trust's books 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 Trust on behalf of 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 Trust will compensate the Distributor and Recipients for providing administrative support services of the type approved by the Board 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 sales 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 still is not satisfied, it may take appropriate steps to terminate the Recipient's status as such under the Plan, whereupon such entity'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 the preceding sentence 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 Maximum Holding Period, the Minimum Holding Period or the Minimum Qualified Holdings. The Distributor shall notify all Recipients of the Minimum Qualified Holdings, Maximum Holding Period or 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 Distributor is entitled to retain from the payments described in Section 3(a) the aggregate amount of (i) the Service Fee on Shares outstanding for less than the Minimum Holding Period plus (ii) the Asset-Based Sales Charge on Shares outstanding for not more than the Maximum Holding Period, in each case computed as of the close of each business day during that period and 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. Such amount is collectively referred to as the "Quarterly Limitation." The distribution assistance and administrative support services in connection with the sale of Shares to be rendered by the Distributor may include, but shall not be limited to, the following: (i) paying sales commissions to any broker, dealer, bank or other institution that sell Shares, and/or paying such persons Advance Service Fee Payments in advance of, and/or greater than, the amount provided for in Section 3(a) of this Agreement; (ii) paying compensation to and expenses of personnel of the Distributor who support distribution of Shares by Recipients; (iii) paying of or reimbursing the Distributor for interest and other borrowing costs on unreimbursed Carry Forward Expenses (as hereafter defined) at the rate paid by the Distributor or, if such

amounts are financed by the Distributor from its own resources or by an affiliate, at the rate of 1% per annum above the prime rate (which shall mean the most preferential interest rate on corporate loans at large U.S. money center commercial banks) then being reported in the Eastern edition of the Wall Street Journal (or if such prime rate is no longer so reported, such other rate as may be designated from time to time by the Distributor with the approval of the Independent Trustees); (iv) other direct distribution costs of the type approved by the Board, 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. The Distributor's costs of providing the above-mentioned services are hereinafter collectively referred to as "Distribution and Service Costs." "Carry Forward Expenses" are Distribution and Service Costs that are not paid in the fiscal quarter in which they arise because they exceed the Quarterly Limitation. 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) The excess in any fiscal quarter of (i) the Quarterly Limitation plus any contingent deferred sales charge ("CDSC") payments recovered by the Distributor on the proceeds of redemption of Shares over (ii) Distribution and Service Costs during that quarter, shall be applied in the following order of priority: first to interest on unreimbursed Carry Forward Expenses, second to reduce any unreimbursed Carry Forward Expenses, third to reduce Distribution and Service Costs during that quarter, and fourth, to reduce the Asset Based Sales Charge payments by the Trust to the Distributor in that quarter. Carry Forward Expenses shall be carried forward by the Trust until payment can be made under the Quarterly Limitation.

(e) 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 Trust), or (ii) by the Distributor (a subsidiary of OMC), from its own resources, from Asset Based Sales Charge payments or from its borrowings.

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 at least quarterly a written report to the Trust's Board for its review, detailing distribution expenditures properly attributable to the Shares, including the amount of all payments made pursuant to this Plan, the identity of the Recipient of each such payment, the amount paid to the Distributor and the Distribution and Service Costs and Carry Forward Expenses for that period. The report shall state whether all provisions of Section 3 of this Plan have been complied with. The Distributor shall annually certify to the Board the amount of its total expenses incurred that year and its total expenses incurred in prior years and not previously recovered with respect to the distribution of Shares in conjunction with the Board's annual review of the continuation of the Plan.

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 June 22, 1993 for the purpose of voting on this Plan, and takes effect as of July 1, 1993. Unless terminated as hereinafter provided, it shall continue in effect until October 31, 1993 and from year to year thereafter 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 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. Notwithstanding any such termination, the Distributor shall be entitled to payment from the Trust on behalf of the Fund of all Carry Forward Expenses properly incurred in respect of Shares sold prior to the effective date of such

termination, and the Trust shall continue to make payment to the Distributor in the amount the Distributor is entitled to retain under part (c) of Section 3 hereof, until such time as the Distributor has been reimbursed for all such amounts by the Trust on behalf of the Fund and by retaining CDSC payments.

8. Disclaimer of Shareholder Liability. The Distributor understands that the obligations of the Trust and the Fund under this Plan are not binding upon any Trustee or shareholder of the Trust or 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 Trust and the Fund.

OPPENHEIMER INTEGRITY FUNDS on behalf of
OPPENHEIMER VALUE STOCK FUND

By: _____
Robert G. Zack, Assistant Secretary

OPPENHEIMER FUNDS DISTRIBUTOR, INC.

By: _____
Katherine P. Feld
Vice President & Secretary

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
OPPENHEIMER CHAMPION HIGH YIELD FUND
DAILY CASH ACCUMULATION FUND, INC.
OPPENHEIMER EQUITY INCOME FUND
OPPENHEIMER GOVERNMENT SECURITIES FUND
OPPENHEIMER HIGH YIELD FUND
OPPENHEIMER INTEGRITY FUNDS
OPPENHEIMER MAIN STREET FUNDS, INC.
THE NEW YORK TAX-EXEMPT INCOME FUND, INC.
OPPENHEIMER STRATEGIC INCOME FUND
OPPENHEIMER STRATEGIC INCOME & GROWTH FUND
OPPENHEIMER STRATEGIC INVESTMENT GRADE BOND FUND
OPPENHEIMER STRATEGIC SHORT-TERM INCOME FUND
OPPENHEIMER TAX-EXEMPT BOND FUND
OPPENHEIMER TAX-EXEMPT CASH RESERVES
OPPENHEIMER TOTAL RETURN FUND, INC.
OPPENHEIMER VARIABLE ACCOUNT FUNDS

CERTIFIED RESOLUTIONS OF THE BOARDS

October 26, 1993

At a meeting of the Boards for the above referenced funds (the "Funds") held on October 26, 1993, the members thereof by unanimous vote of those present adopted and approved the following resolutions:

"RESOLVED, that Andrew J. Donohue or Robert G. Zack, and each of them, be, and the same, is hereby appointed the attorney-in-fact and agent of James C. Swain, as Chairman of the Funds, and George C. Bowen, as Vice President, Secretary and Treasurer (Principal Financial and Accounting Officer) of the Funds, to sign on behalf of such officers any and all Registration Statements (including any post-effective amendments to such Registration Statements) under the Securities Act of 1933 and the Investment Company Act of 1940 and any amendments and supplements thereto, and to file the same, with all exhibits thereto, with the Securities and Exchange Commission; and be it further

RESOLVED, that Andrew J. Donohue or Robert G. Zack, and each of them hereby is authorized, empowered and directed, in the name and on behalf of the Funds, to take such additional action and to execute and deliver such additional documents and instruments as any of them may deem necessary or appropriate to implement the provisions of the foregoing resolution, the authority for the taking of such action and the execution

and delivery of such documents and instruments to be conclusively evidenced thereby. These resolutions supersede and replace the resolutions adopted June 22, 1993.

In witness whereof, the undersigned has hereunto set his hand this 26th day of October, 1993.

/s/ George C. Bowen

George C. Bowen, Secretary

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned constitutes and appoints Andrew J. Donohue or Robert G. Zack, and each of them, his true and lawful attorneys-in-fact and agents, for him and in his capacity as a trustee of OPPENHEIMER INTEGRITY FUNDS, 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 to file the same, with all exhibits thereto, 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. This power of attorney shall not terminate in the event of my disability or incapacity and replaces and supersedes all previous powers of attorney executed by me for these purposes.

Dated this 26th day of October, 1993.

/s/ Ned M. Steel

Ned M. Steel

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned constitutes and appoints Andrew J. Donohue or Robert G. Zack, and each of them, his true and lawful attorneys-in-fact and agents, for him and in his capacity as a trustee of OPPENHEIMER INTEGRITY FUNDS, 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 to file the same, with all exhibits thereto, 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. This power of attorney shall not terminate in the event of my disability or incapacity and replaces and supersedes all previous powers of attorney executed by me for these purposes.

Dated this 26th day of October, 1993.

/s/ Robert M. Kirchner

Robert M. Kirchner

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned constitutes and appoints Andrew J. Donohue or Robert G. Zack, and each of them, his true and lawful attorneys-in-fact and agents, for him and in his capacity as a trustee of OPPENHEIMER INTEGRITY FUNDS, 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 to file the same, with all exhibits thereto, 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. This power of attorney shall not terminate in the event of my disability or incapacity and replaces and supersedes all previous powers of attorney executed by me for these purposes.

Dated this 26th day of October, 1993.

/s/ C. Howard Kast

C. Howard Kast

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned constitutes and appoints Andrew J. Donohue or Robert G. Zack, and each of them, his true and lawful attorneys-in-fact and agents, for him and in his capacity as a trustee of OPPENHEIMER INTEGRITY FUNDS, 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 to file the same, with all exhibits thereto, 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. This power of attorney shall not terminate in the event of my disability or incapacity and replaces and supersedes all previous powers of attorney executed by me for these purposes.

Dated this 26th day of October, 1993.

/s/ Raymond J. Kalinowski

Raymond J. Kalinowski

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned constitutes and appoints Andrew J. Donohue or Robert G. Zack, and each of them, his true and lawful attorneys-in-fact and agents, for him and in his capacity as a trustee of OPPENHEIMER INTEGRITY FUNDS, 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 to file the same, with all exhibits thereto, 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. This power of attorney shall not terminate in the event of my disability or incapacity and replaces and supersedes all previous powers of attorney executed by me for these purposes.

Dated this 26th day of October, 1993.

/s/ Jon S. Fossel

Jon S. Fossel

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned constitutes and appoints Andrew J. Donohue or Robert G. Zack, and each of them, his true and lawful attorneys-in-fact and agents, for him and in his capacity as a trustee of OPPENHEIMER INTEGRITY FUNDS, 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 to file the same, with all exhibits thereto, 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. This power of attorney shall not terminate in the event of my disability or incapacity and replaces and supersedes all previous powers of attorney executed by me for these purposes.

Dated this 26th day of October, 1993.

/s/ Charles Conrad, Jr.

Charles Conrad, Jr.

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned constitutes and appoints Andrew J. Donohue or Robert G. Zack, and each of them, his true and lawful attorneys-in-fact and agents, for him and in his capacities as Vice President, Secretary and Treasurer (Principal Financial and Accounting Officer) of OPPENHEIMER INTEGRITY FUNDS, 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 to file the same, with all exhibits thereto, 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. This power of attorney shall not terminate in the event of my disability or incapacity and replaces and supersedes all previous powers of attorney executed by me for these purposes.

Dated this 26th day of October, 1993.

/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 or Robert G. Zack, and each of them, his true and lawful attorneys-in-fact and agents, for him and in his capacity as a trustee of OPPENHEIMER INTEGRITY FUNDS, 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 to file the same, with all exhibits thereto, 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. This power of attorney shall not terminate in the event of my disability or incapacity

and replaces and supersedes all previous powers of attorney executed by me for these purposes.

Dated this 26th day of October, 1993.

/s/ William A. Baker

William A. Baker

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned constitutes and appoints Andrew J. Donohue or Robert G. Zack, and each of them, his true and lawful attorneys-in-fact and agents, for him and in his capacity as a trustee of OPPENHEIMER INTEGRITY FUNDS, 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 to file the same, with all exhibits thereto, 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. This power of attorney shall not terminate in the event of my disability or incapacity and replaces and supersedes all previous powers of attorney executed by me for these purposes.

Dated this 26th day of October, 1993.

/s/ Robert G. Avis

Robert G. Avis

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned constitutes and appoints Andrew J. Donohue or Robert G. Zack, and each of them, his true and lawful attorneys-in-fact and agents, for him and in his capacity as

a trustee of OPPENHEIMER INTEGRITY FUNDS, 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 to file the same, with all exhibits thereto, 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. This power of attorney shall not terminate in the event of my disability or incapacity and replaces and supersedes all previous powers of attorney executed by me for these purposes.

Dated this 26th day of October, 1993.

/s/ James C. Swain

James C. Swain

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned constitutes and appoints Andrew J. Donohue or Robert G. Zack, and each of them, his true and lawful attorneys-in-fact and agents, for him and in his capacity as Chairman of OPPENHEIMER INTEGRITY FUNDS, 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 to file the same, with all exhibits thereto, 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. This power of attorney shall not terminate in the event of my disability or incapacity and replaces and supersedes all previous powers of attorney executed by me for these purposes.

Dated this 26th day of October, 1993.

/s/ James C. Swain

James C. Swain