OPPENHEIMERFUNDS™
THE RIGHT WAY TO INVEST

INVESTING FOR REAL PEOPLE

Growth. Income. Protection.* Three basic needs of any investor. Growth is required to finance long-term aspirations, income to pay the bills, and protection to hedge against a variety of different risks. For many investors, the challenge to meet these needs appears daunting. And yet there is a wealth of opportunity in the world and numerous ways for investors to generate the necessary growth, income and protection in their portfolios. To get there will require a new way of thinking, new solutions, and a new conversation away from financial jargon and arcane concepts to a laser focus on investor goals and how to define success.

AN OUTDATED ROADMAP TO FINANCIAL SECURITY

The old roadmap for obtaining financial security has become increasingly outdated. In the past, investors trusted a system in which hard work was rewarded, governments and corporations provided a suitable safety net, and a classic combination of domestic stocks and government bonds delivered appropriate levels of growth, income and protection against certain risks in our portfolios.

As the saying goes, those were the days. The family breadwinner of today hasn't seen his or her compensation keep pace with the price of goods and services in over a decade. For example, while nominal employee compensation per year has climbed on average by 2.5% over the past decade, healthcare and tuition costs have climbed 3.7% and 5.3% per year,

* Protection is positioned as an investment goal. Investing in certain securities may help to hedge against certain risks, but does not imply any guarantee from loss. Mutual funds are subject to risk. Shares may gain or lose value.

respectively.[1] Additionally, trust in the safety net has also been compromised. For starters, Social Security is forecasted to become insolvent in about 20 years.[2] Compounding the problem, few companies still provide for deferred compensation in retirement. Less than 10% of all workers are currently able to participate in traditional pension plans.[3] And as workers have had to increasingly rely on 401(k)'s to fund retirement, they've had to deal with an increasingly challenging investment landscape, including multiple bear markets in U.S. stocks and record low interest rates on U.S. Government bonds.

A NEW ERA OF PERSONAL RESPONSIBILITY

It is no surprise then that many investors approach this era of greater personal financial responsibility with trepidation. For many, the thought of evolving their portfolios to adequately address their needs is incredibly stressful. A recent survey by the Life Insurance and Market Research Association found that nearly 50% of consumers "felt they were not well-informed about generating income, investing assets, and managing risks..." Even as access to information, advice and analysis explodes at an unprecedented rate (a Google search on "investments" yields 191 million results), the sheer volume of information alone often leaves investors feeling more confused and disconnected.

Admittedly, the terminology often used by the investment community hasn't helped. Esoteric concepts such as alpha, beta, standard deviation and correlation may help analyze *investments* but they often don't help *investors.* Success cannot be captured by statistics, relative performance, or along efficient frontiers but rather should be assessed based on experiences and quality of life. Risk is not about variance of returns but instead about the investment obstacles that could jeopardize those experiences.

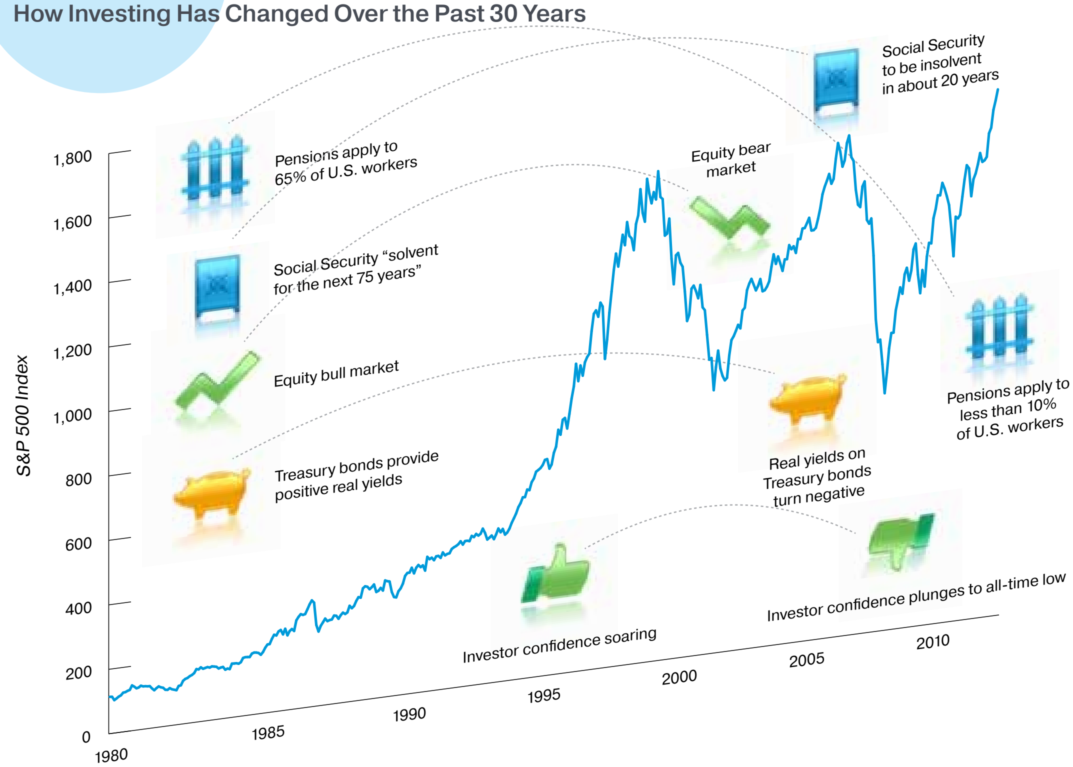
REDEFINING THE CONVERSATION

Before deciding on what stocks and bonds to buy, investors have to do two things: Reflect on what they seek to accomplish over the short and long term, and then, define success in their own terms. Once investors truly define that they can begin to connect to the roles that individual assets may have in their portfolios.

Those assets should be set up to meet an investor's three needs. Investment income augments wages to help fund inescapable necessities, desired discretionary purchases, and unforeseen expenses. Once investors have accounted for an adequate level of income to match expenses and sustain standards of living, they can take on additional risk and seek to grow their assets to fund future purchases and to meet longer term aspirations. Growth assets help build nest eggs, fund college educations or weddings, and secure comfortable extended retirements.[4]

CHART 1

How Investing Has Changed Over the Past 30 Years



Source: Bloomberg, 6/30/13.

CHART 2

Change the Conversation

REAL LIFE NEEDS	Investments	WHERE TO LOOK
■ Build savings ■ Pay for children's educations and weddings ■ Fund a future, secure retirement	Investments that seek **GROWTH**	Expand the opportunity set with assets such as Global Equities
■ Pay the routine bills ■ Generate income during retirement ■ Cover unforeseen expenses	Investments that seek **INCOME**	Consider assets beyond traditional fixed income, which may include corporate debt, international bonds and dividend-paying equities
■ Maintain standard of living ■ Hedge against market and currency volatility	Investments that seek to **PROTECT AGAINST RISKS**	Look at commodities, Real Estate Investment Trusts and other assets not directly correlated to U.S. stocks and bonds

Protection* is required not only as ballast against extreme market fluctuations but also against the risks of inflation, currency weakness, geopolitical events and more. By focusing on the goal (or goals) of the portfolio, investors can better identify assets that seek to address those needs and better measure success.

A WORLD OF OPPORTUNITY

The good news for investors is that there is a wealth of opportunity in the world for growth, income and protection. Growing our assets will require expanding our opportunity set. Today, the U.S. economy, while still the world's largest, is no longer the world's fastest growing. According to Bloomberg, more than half of the world's biggest companies are headquartered outside the U.S. Foreign investments may be volatile and involve some special risks. Nevertheless, winning investment strategies are those that find ways to capitalize on the shifting global landscape. Growth is about looking for companies, regardless of where they are headquartered, that sustain distinct advantages over their competition including intellectual property, access to growing markets, expanding customer bases, respected brands, and high free cash flow. Importantly, it is about paying a reasonable price for participation in the growth opportunities of those companies.

Generating real (after inflation) income may also require looking beyond traditional sources. Relying on our nearly $11 trillion in bank deposits,[5] earning less than 0.50%,[6] to fulfill our income needs will likely be a fool's errand. Investments in U.S. Government bonds are unlikely to serve us much better and may lose value when interest rates rise. Fortunately, there are other income-generating options. Investments in corporate bonds may provide additional yield with typically less interest rate sensitivity than government bonds. Developed and emerging market sovereign and corporate bonds offer access to higher yields than are available domestically, foreign exchange exposure which can help offset swings in the value of the U.S. dollar, and a potential hedge against imported inflation. All fixed income investing entails credit and interest rate risk. However, these assets may provide a better chance to help generate real income than traditional bond holdings. Investors may look beyond bonds entirely. Dividend-paying equities and alternative equity-like securities like Real Estate Investment Trusts and Master Limited Partnerships may also provide attractive yield opportunities. While these assets are more complex and have additional risks when compared to common stocks or bonds, and past performance does not guarantee future results, they historically outperformed government bonds in rising inflation and interest rate environments.

Protection is about defending the portfolio against the risks of the future rather than the risks of the past. Many investors think of protection solely as the preservation of capital in times of market declines. But investors need to protect against a combination of factors such as domestic and imported inflation, and currency volatility that could make a dollar earned buy fewer and fewer goods and services as time goes on. Finally, protection is needed to counter the potentially damaging effects rising interest rates may have on portfolios. Some asset classes that may provide these types of protection include those whose values or income streams rise when interest rates rise or whose values don't typically move in tandem with traditional markets.

Despite all the changes in the world, the basic investors' needs are still the same. However, by adapting a new way of thinking, investors may have a better likelihood of achieving the growth, income and protection against risks they need to be successful.

***Protection is positioned as an investment goal. Investing in certain securities may help to hedge against certain risks, but does not imply any guarantee from loss. Mutual funds are subject to risk. Shares may gain or lose value.**

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1. Sources: Bureau of Economic Analysis (employee compensation), Bureau of Labor Statsitics (costs), 6/30/13.
2. A recent poll conducted by the St. Norbert College Strategic Research Institute found that more than half of the Millennial generation (born between 1982 and 2000) do not believe that Social Security will exist when they reach their retirement age.
3. Source: Center for Retirement Research, 6/30/13.
4. According to the U.S. Census Bureau, by 2020 the average American's life expectancy at birth will be almost 10 years longer than it was in 1970.
5. Source: Federal Deposit Insurance Corporation.
6. Source: Bankrate.com.

There is no guarantee the issuers of dividend-paying equities will declare dividends in the future, or that dividends will remain at their current levels or increase over time. Investments in securities of real estate companies may be especially volatile. Because they do not have an active trading market, shares of Real Estate Investment Trusts (REITs) may be illiquid. The lack of an active trading market may make it difficult to value or sell shares of REITs promptly at an acceptable price. Foreign investments may be volatile and involve additional expenses and special risks including currency fluctuations, foreign taxes and political and economic uncertainties. Emerging and developing market investments may be especially volatile. Investing in MLPs involves additional risks as compared to the risks of investing in common stock, including risks related to cash flow, dilution and voting rights. Each Fund's investments are concentrated in the energy infrastructure industry with an emphasis on securities issued by MLPs, which may increase volatility. Energy infrastructure companies are subject to risks specific to the industry such as fluctuations in commodity prices, reduced volumes of natural gas or other energy commodities, environmental hazards, changes in the macroeconomic or the regulatory environment or extreme weather. MLPs may trade less frequently than larger companies due to their smaller capitalizations which may result in erratic price movement or difficulty in buying or selling. MLPs are subject to significant regulation and may be adversely affected by changes in the regulatory environment including the risk that an MLP could lose its tax status as a partnership. Additional management fees and other expenses are associated with investing in MLP funds. Distributions from MLP funds have been classified as "return of capital" which reduces the investor's adjusted cost basis.

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