

OFI Institutional | Senior Floating Rate

At a Glance

Investment Professionals:

Joseph Welsh, CFA
Team Leader and Portfolio Manager

Margaret Hui, CFA
Portfolio Manager

Strategy AUM:
\$87 million
(The OFI Institutional investment team managing the Senior Floating Rate Strategy for OFI Institutional Asset Management, Inc. also manages additional assets in the strategy for OppenheimerFunds, Inc. and other affiliated entities.)

OppenheimerFunds, Inc. Retail Mutual Fund (all share classes): \$5.6 billion

Composite Inception:
1/31/08
(OppenheimerFunds, Inc. Retail Mutual Fund Inception: 9/8/99)

Benchmark:
Credit Suisse Leveraged Loan Index

Investment Philosophy

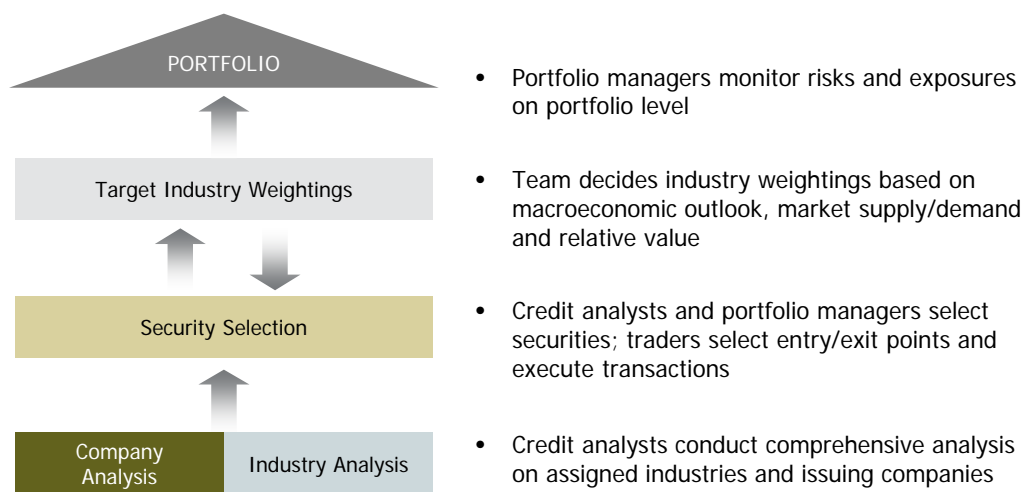
We believe:

- Credit-centric and “bottom-up” approach is the best discipline to identify undervalued securities in the senior loan market
- Attractively valued securities can be identified across the credit spectrum including those facing restructuring and/or default
- Focusing primarily on senior loans is important in maintaining product integrity

Investment Process

The High Yield Corporate Debt team includes portfolio managers, traders and credit analysts, each assigned to specific industries. The team takes a primarily fundamental, bottom-up approach. Analysts conduct comprehensive analysis of their respective industry and individual companies. They carefully research each potential issuer’s financials to assess their ability to pay interest and repay principal, while analyzing potential risks. In addition, analysts have the flexibility to select the senior floating rate loans that possess the best risk/reward opportunities for inclusion. The portfolio managers oversee the strategy at the portfolio level and ensure that the risks and exposures taken are consistent with investment strategy and industry weightings decided upon at regularly-scheduled team meetings.

The team uses a four-step process to manage the strategy:



The firm's Risk Management department independently monitors each investment team's investment risks at both the enterprise and portfolio level. In addition, the High Yield Corporate Debt team embeds its own risk management controls and monitoring with regards to industry and company exposure limits.

Distinct Advantages

- High degree of product integrity with investing primarily in lower rated, senior floating rate loans whose income payments generally rise and fall with prevailing interest rates
- Experienced team that has contributed to the strategy's management since its inception
- Strong fundamental credit culture
- Risk management embedded in process and monitored independently

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As of March 31, 2012

Performance Comparison (%)

Historical Performance	1Q 2012	YTD 2012	1 Year	Annualized	
				3 Years	Since Inception (1/31/08)
Senior Floating Rate Composite (gross-of-fees)	4.00	4.00	4.58	18.04	6.53
Credit Suisse Leveraged Loan Index	3.47	3.47	2.63	16.13	5.18
<i>Relative Return</i>	<i>0.53</i>	<i>0.53</i>	<i>1.95</i>	<i>1.91</i>	<i>1.35</i>
Senior Floating Rate Composite (net-of-fees)	3.84	3.84	3.96	17.34	5.89
Credit Suisse Leveraged Loan Index	3.47	3.47	2.63	16.13	5.18
<i>Relative Return</i>	<i>0.37</i>	<i>0.37</i>	<i>1.33</i>	<i>1.21</i>	<i>0.71</i>

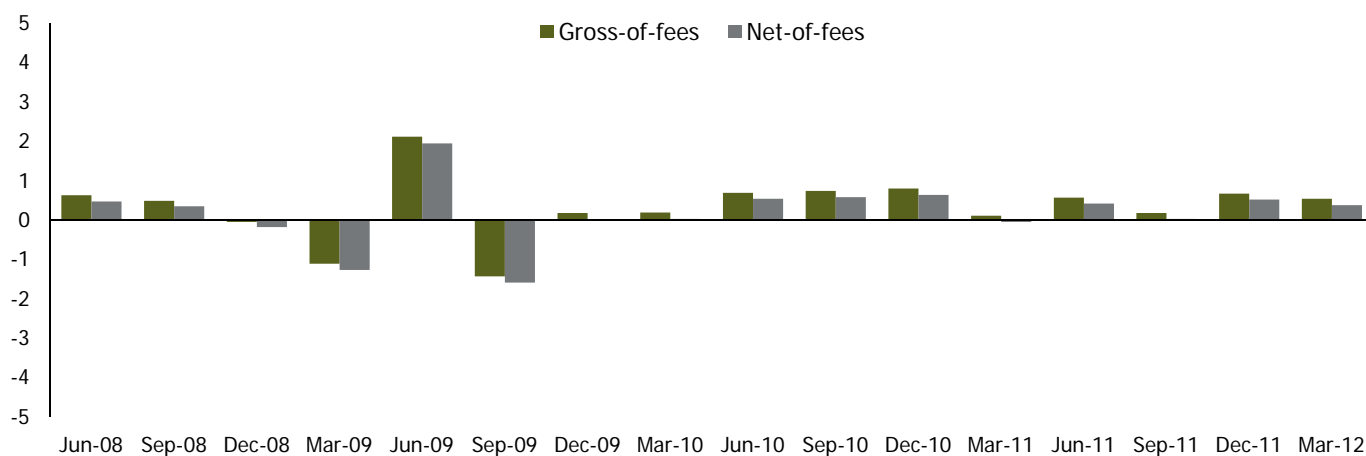
Supplemental Information* (%)

Historical Performance	Annualized	
	5 Years	10 Years
OppenheimerFunds, Inc. Retail Mutual Fund, Class A (gross-of-fees)	5.24	6.64
Credit Suisse Leveraged Loan Index	3.60	4.92
<i>Relative Return</i>	<i>1.64</i>	<i>1.72</i>
OppenheimerFunds, Inc. Retail Mutual Fund, Class A (net-of-fees)	3.87	5.32
Credit Suisse Leveraged Loan Index	3.60	4.92
<i>Relative Return</i>	<i>0.27</i>	<i>0.40</i>

For illustrative purposes only. The performance returns above are the returns of a mutual fund managed by OppenheimerFunds, Inc., an affiliate of OFI Institutional and constitute supplemental information for purposes of the Global Investment Performance Standards (GIPS®). Please see the last page of this report for additional disclosures.

Performance – Quarterly Excess Returns*

Senior Floating Rate Composite vs. Credit Suisse Leveraged Loan Index



*Inception date is 01/31/08.

Past performance is no guarantee of future results.

GIPS SUPPLEMENTAL INFORMATION. For disclosures, please see the last page of this report.

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As of March 31, 2012

Credit Rating Breakdown

	NRSRO-Rated (%)
AAA	0.3
BBB	0.9
BB	36.9
B	53.7
CCC and Lower	5.4
Unrated	2.8
Total	100.0

Portfolio Characteristics

	Representative Portfolio
Average Effective Duration	0.13 years
Average Price	\$96.00
Holdings by Security	433
Holdings by Issuer	269
Beta*	0.98
Alpha*	2.23
Information Ratio*	1.56

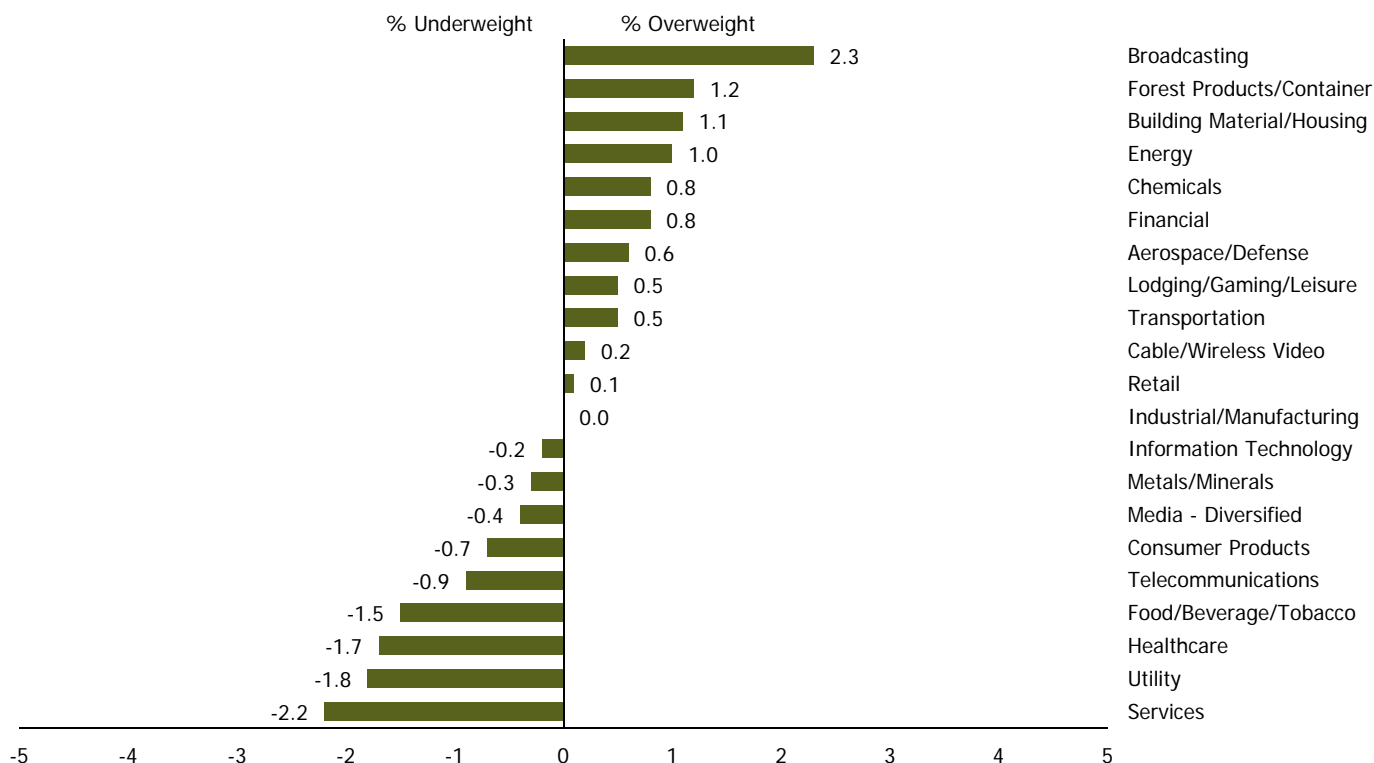
*Based on 3-year, monthly, gross-of-fees returns versus the Credit Suisse Leveraged Loan Index.

The information shown constitutes supplemental information for purposes of GIPS® and is supplemental to the GIPS-compliant table included herein. The information shown is derived from a representative account deemed to appropriately represent this management style. Each investor's portfolio is individually managed and may vary from the information shown.

If included in the credit rating breakdown table above, all securities except for those labeled "Treasury," "Agency," and "Unrated," and except for certain securities issued or guaranteed by a foreign sovereign, have been rated by at least one Nationally Recognized Statistical Rating Organization ("NRSRO"), such as Standard & Poor's ("S&P"). For securities rated only by an NRSRO other than S&P, OFI Institutional converts that rating to the equivalent S&P rating. If two or more NRSROs have assigned a rating to a security, the highest S&P equivalent rating is used. Unrated securities issued or guaranteed by a foreign sovereign are assigned a credit rating equal to the highest NRSRO rating assigned to that foreign sovereign. Assets invested in an affiliated money market fund are assigned that fund's S&P rating, which is currently AAA. Unrated securities do not necessarily indicate low credit quality, and may or may not be the equivalent of investment-grade. "Investment-grade" securities are securities rated within the NRSROs' four highest rating categories, which include AAA, AA, A and BBB.

Sector Allocation

Over/Under Sector Weights vs. Credit Suisse Leveraged Loan Index (%)



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Disclosure Statements

As of March 31, 2012

OFI Institutional Composite	Jan-Mar 2012	2011	2010	2009	Feb-Dec 2008	
Senior Floating Rate Composite Return (Gross %)	4.0	3.3	12.6	44.2	-25.4	
Credit Suisse Leveraged Loan Index Return (%)	3.5	1.8	10.0	44.9	-26.5	
Senior Floating Rate Composite Return (Net %)	3.8	2.7	11.9	43.4	-25.8	
# Portfolios	1	1	1	1	1	
Standard Deviation of Composite Full Period Returns (Gross %)	n/a	n/a	n/a	n/a	n/a	
3-Year Annualized Ex-post Standard Deviation of Monthly Returns	Composite (Gross %)	7.1	7.2	n/a	n/a	n/a
	Benchmark (%)	7.2	7.6	n/a	n/a	n/a
Composite Assets (\$ mil)	87	84	57	51	36	
OFII Assets (\$ mil)	4,483	4,039	5,199	7,870	6,956	

Supplemental Information: OppenheimerFunds, Inc. Retail Mutual Fund	Jan-Mar 2012	2011	2010	2009	2008	2007	2006
Retail Mutual Fund Return (Gross %)	4.0	3.7	15.0	45.6	-28.7	2.6	8.3
Credit Suisse Leveraged Loan Index Return (%)	3.5	1.8	10.0	44.9	-28.8	1.9	7.3
Retail Mutual Fund Return (Net %)	3.7	2.4	13.2	43.6	-29.5	1.5	7.1

Returns above are the returns of a mutual fund managed by an affiliate of OFII, OppenheimerFunds, Inc., and are shown for illustrative purposes only.

OFI Institutional Asset Management, Inc. ("OFII") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. OFII has been independently verified for the periods January 1, 2003 through December 31, 2010. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

OFII is an SEC-registered investment adviser and a subsidiary of OppenheimerFunds, Inc. ("OFI"). OFII provides advisory services and offers various institutional investment products to institutional clients, including defined benefit and defined contribution retirement plans, foundations, endowments, corporations, and other investment advisers. OFII personnel who provide advisory, trading, and other services may be employed by OFII, OFI or an OFI affiliate. Effective January 1, 2004, OFII's GIPS Firm definition changed to reflect the consolidation of the assets of OFII's subsidiaries and investment management teams since the inception of OFII in 1999 when OFI purchased Trinity Investment Management Corporation.

The OFII Senior Floating Rate Composite includes every fully representative portfolio managed in the Senior Floating Rate strategy. The strategy invests in senior bank loans, which are primarily lower rated (below investment grade) securities that adjust their interest payments periodically based on changes in interest rates. Securities holdings can be selected regardless of a security's membership in the benchmark index. Certain securities may constitute a significant portion of the portfolio resulting in security and sector weightings that may differ from those of the benchmark index. The Composite was created in February 2008. The name of the Composite was changed from "Floating Rate Bank Loan" in July 2008.

The Composite gross-of-fee returns shown include the reinvestment of income and the impact of transaction costs, but do not include the deduction of investment advisory fees or any other account expenses, such as custodial fees. Composite net-of-fee returns are calculated by deducting a model investment advisory fee (using the maximum investment advisory fee as determined by the product's fee schedule) from the Composite gross-of-fee returns. OFII's advisory fee rates are set forth in Part 2A of its Form ADV, which is available upon request. Annual fees for the Senior Floating Rate product are 0.55% of the market value of the assets under management. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. While actual portfolios incur transaction expenses, pay investment advisory fees, and may incur other account expenses, the benchmark index is shown without the impact of such charges.

The OFI Retail Mutual Fund returns shown in the Supplemental Information section are the returns of the Class A shares of a mutual fund ("Fund") managed by an affiliate of OFII, OFI, which does not claim GIPS compliance. The Fund represents the majority of the assets managed in the strategy by OFI; is the largest single portfolio managed in the strategy by OFI; is the portfolio that has been in existence the longest; and is the portfolio from which other portfolios in the strategy are modeled. Other portfolios are managed in this strategy with performance greater or lesser than presented here, but not materially different. The gross-of-fees Fund return is calculated by adding back all management fees and distribution expenses to the net-of-fees Fund return.

OFII's Senior Floating Rate strategy is managed by Joseph Welsh and Margaret Hui, who have also managed the Fund since September 1999. OFII Senior Floating Rate portfolios are managed using substantially the same investment strategy and guidelines as used for the Fund. However, the supplemental performance shown for the Fund is not the performance of OFII and does not represent, and is not a substitute for, the performance of OFII. It should not be assumed that OFII will achieve the same future performance as the Fund. OFII institutional clients can choose to invest in a separate account or in an institutional commingled vehicle. There are differences between the management of separate accounts and institutional commingled vehicles, and mutual funds, including fees, the relative size, cash flows and the ability of clients to impose restrictions. These differences may result in differences in the performance of separate accounts and institutional commingled vehicles as compared to the performance of the Fund even though the same investment strategy is employed.

A list of OFII's composite descriptions and policies for valuing portfolios, calculating performance, and preparing compliant presentations are available on request. All data are in U.S. dollars. Realized performance results vary substantially based on the period measured. The performance data quoted represents past performance, which does not guarantee future results. Returns for periods less than a full year are not annualized.

The Credit Suisse Leveraged Loan Index® is a trademark/service mark of Credit Suisse First Boston. The Credit Suisse Leveraged Loan Index® tracks the performance of U.S. dollar denominated senior floating rate bank loans. The index is unmanaged; is market-value weighted; includes reinvestment of income; is shown for illustration only; and cannot be purchased directly by investors. Benchmark index returns are not covered by the report of independent verifiers.

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Additional Disclosures:

OppenheimerFunds, Inc. Retail Mutual Fund returns, quarterly excess returns, sector weights and portfolio characteristics information constitute supplemental information for purposes of GIPS. The representative portfolio information shown is derived from a representative account deemed to appropriately represent this management style. Each investor's portfolio is individually managed and may vary from the information shown. A description of the methodology used to calculate the performance attribution and a full list showing the contribution of all securities to the overall performance of the representative account during the indicated time period are available upon request.

The specific securities identified are not representative of all of the securities purchased, sold or recommended for advisory clients. It should not be assumed that an investment in the securities identified was or will be profitable. Actual holdings will vary for each client and there is no guarantee that a particular client's account will hold any or all of the securities listed. **Past performance is no guarantee of future results.**