

Oppenheimer

## Capital Appreciation Fund/VA

**A series of Oppenheimer Variable Account Funds**

Prospectus dated April 30, 2009

**As with all mutual funds, the Securities and Exchange Commission has not approved or disapproved the Fund's securities nor has it determined that this prospectus is accurate or complete. It is a criminal offense to represent otherwise.**

Oppenheimer Capital Appreciation Fund/VA is a mutual fund that seeks capital appreciation by investing in securities of well-known, established companies.

Shares of the Fund are sold only as an underlying investment for variable life insurance policies, variable annuity contracts and other insurance company separate accounts. A prospectus for the insurance product you have selected accompanies this prospectus and explains how to select shares of the Fund as an investment under that insurance product and which share class you are eligible to purchase.

This prospectus contains important information about the Fund's objective, investment policies, strategies and risks. Please read this prospectus (and your insurance product prospectus) carefully before you invest and keep them for future reference about your account.



**OppenheimerFunds®**  
The Right Way to Invest

# CONTENTS

## ABOUT THE FUND

- 3 The Fund's Investment Objective and Principal Investment Strategies
- 4 Main Risks of Investing in the Fund
- 6 The Fund's Past Performance
- 7 Fees and Expenses of the Fund
- 8 About the Fund's Investments
- 14 How the Fund is Managed

## INVESTING IN THE FUND

- 15 How to Buy and Sell Shares
- 20 Dividends, Capital Gains and Taxes
- 21 Financial Highlights

## ABOUT THE FUND

### The Fund's Investment Objective and Principal Investment Strategies

**WHAT IS THE FUND'S INVESTMENT OBJECTIVE?** The Fund seeks capital appreciation by investing in securities of well-known, established companies.

**THE FUND'S MAIN INVESTMENT STRATEGIES.**

The Fund mainly invests in common stocks of "growth companies." These may be newer companies or established companies of any capitalization range that the portfolio manager believes may appreciate in value over the long term.

The Fund focuses on domestic securities but may purchase foreign securities as well.

**HOW THE PORTFOLIO MANAGER DECIDES WHAT SECURITIES TO BUY OR**

**SELL.** In selecting securities to buy or sell the portfolio manager looks for growth companies with stock prices that he believes are reasonable in relation to overall stock market valuations. In seeking broad diversification of the Fund's portfolio among industries and market sectors, the portfolio manager focuses on a number of factors that may vary in particular cases and over time. Currently, the portfolio manager looks for:

- companies in business areas that have above-average growth potential,
- companies with growth rates that the portfolio manager believes are sustainable over time,
- stocks with reasonable valuations relative to their growth potential.

The Fund may sell the stocks of companies that the portfolio manager believes no longer meet the above criteria.

**WHO IS THE FUND DESIGNED FOR?** The Fund's shares are available only as an investment option under certain variable annuity contracts, variable life insurance policies and investment plans offered through insurance company separate accounts of participating insurance companies, for investors seeking capital appreciation in their investment over the long term, from investments in common stocks of well-known companies. Those investors should be willing to assume the risks of short-term share price fluctuations that are typical for a fund focusing on stocks. Because of its focus on long-term growth, the Fund may be more appropriate for investors with longer-term investment goals. The Fund is not designed for investors needing an assured level of current income. The Fund is not a complete investment program and may not be appropriate for all investors. You should carefully consider your own investment goals and risk tolerance before investing in the Fund.

**What are "Growth Companies"?** Companies whose earnings and stock prices are expected to increase at a faster rate than the overall market are considered "growth companies."

## Main Risks of Investing in the Fund

All investments have some degree of risk. The value of the Fund's shares fluctuates as the value of the Fund's investments changes, and may decline. The value of the Fund's investments may change because of broad changes in the markets in which the Fund invests or from more specific factors like those described below. There is also the risk that poor security selection could cause the Fund to underperform other funds with similar objectives. When you redeem your shares, they may be worth more or less than what you paid for them. ***These risks mean that you can lose money by investing in the Fund.***

**RISKS OF INVESTING IN STOCK.** The value of the Fund's portfolio may be affected by changes in the stock markets. Stock markets may experience significant volatility and may fall sharply at times. Adverse events in any part of the equity or fixed-income markets may have unexpected negative effects on other market segments. Different stock markets may behave differently from each other and U.S. stock markets may move in the opposite direction from one or more foreign stock markets.

A variety of factors can affect the price of a particular company's stock and the prices of individual stocks generally do not all move in the same direction at the same time. These factors may include: poor earnings reports, a loss of customers, litigation against the company, or changes in government regulations affecting the company or its industry.

At times, the Fund may emphasize investments in a particular industry or sector. To the extent that the Fund increases its emphasis on stocks in a particular industry, the value of its investments may fluctuate more in response to events affecting that industry, such as changes in economic conditions, government regulations, availability of basic resources or supplies, or other events that affect that industry more than others.

Because the Fund currently invests primarily in common stocks of U.S. companies, the value of the Fund's portfolio will mainly be affected by changes in the U.S. stock markets.

**RISKS OF GROWTH INVESTING.** If a growth company's earnings or stock price fails to increase as anticipated, or if its business plans do not produce the expected results, its securities may decline sharply. Growth companies may be newer or smaller companies that may experience greater stock price fluctuations and risks of loss than larger, more established companies. Newer growth companies tend to retain a large part of their earnings for research, development or investments in capital assets. Therefore, they may not pay any dividends for some time. Growth investing has gone in and out of favor during past market cycles and is likely to continue to do so. During periods when growth investing is out of favor or when markets are unstable, it may be more difficult to sell growth company securities at an acceptable price. Growth stocks may also be more volatile than other securities because of investor speculation.

**RISKS OF SMALL- AND MID-SIZED COMPANIES.** Small- and mid-sized companies may be either established or newer companies, including "unseasoned" companies that have been in operation for less than three years. While smaller companies might offer greater opportunities for gain than larger companies, they also involve greater

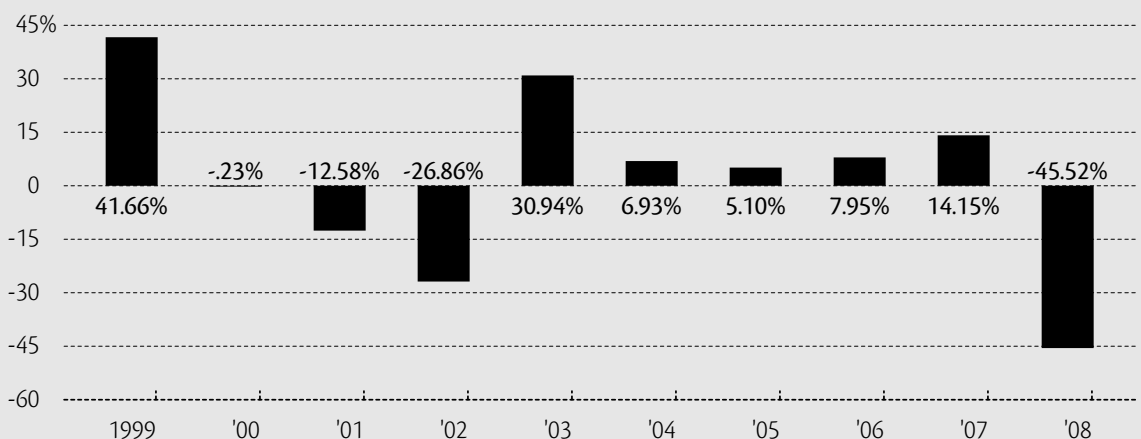
risk of loss. They may be more sensitive to changes in a company's earnings expectations and may experience more abrupt and erratic price movements. Smaller companies' securities often trade in lower volumes and it might be harder for the Fund to dispose of its holdings at an acceptable price when it wants to sell them. Small- and mid-sized companies may not have established markets for their products or services and may have fewer customers and product lines. They may have more limited access to financial resources and may not have the financial strength to sustain them through business downturns or adverse market conditions. Since small- and mid-sized companies typically reinvest a high proportion of their earnings in their business, they may not pay dividends for some time, particularly if they are newer companies. Smaller companies may have unseasoned management or less depth in management skill than larger, more established companies. They may be more reliant on the efforts of particular members of their management team and management changes may pose a greater risk to the success of the business. Securities of small, unseasoned companies may be particularly volatile, especially in the short term, and may have very limited liquidity. It may take a substantial period of time to realize a gain on an investment in a small- or mid-sized company, if any gain is realized at all.

There is no assurance that the Fund will achieve its investment objective. Growth stocks may be more volatile than other equity investments. The Fund generally does not use income-oriented investments to help cushion the Fund's total return from changes in stock prices. In the OppenheimerFunds spectrum, the Fund is generally more aggressive than funds that invest in both stocks and bonds or in investment-grade debt securities.

**An investment in the Fund is not a deposit of any bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.**

## The Fund's Past Performance

The bar chart and table below show one measure of the risks of investing in the Fund by showing changes in the Fund's performance. The bar chart shows the yearly performance of the Fund's Non-Service Shares for the last 10 calendar years.



Charges imposed by the separate accounts that invest in the Fund are not included in the calculations of return in this bar chart and if those charges were included, the returns may be less than those shown. During the period shown in the bar chart, the highest return before taxes for a calendar quarter was 28.49% (4th qtr 99) and the lowest return before taxes for a calendar quarter was -27.73% (4th qtr 08).

The following table shows the average annual total returns of each class of the Fund's shares before taxes compared to two broad-based market indices. Because the Fund's Service Shares are subject to a service fee, their performance is expected to be lower than the performance of Non-Service Shares for any given period. The Fund's past investment performance is not necessarily an indication of how the Fund will perform in the future.

| Average Annual Total Returns for the periods ended December 31, 2008              | 1 Year   | 5 Years<br>(or life of<br>class, if less) | 10 Years<br>(or life of<br>class, if less)   |
|---|----------|---|--|
| Non-Service Shares (inception 4-3-85)   | (45.52%) | (5.48%)                                   | (1.13%)                                      |
| Service Shares (inception 9-18-01)  | (45.66%) | (5.72%)                                   | (2.69%)                                      |
| S&P 500 Index<br>(reflects no deduction for fees, expenses or taxes)              | (36.99%) | (2.19%)                                   | (1.38%) <sup>1</sup><br>(0.09%) <sup>2</sup> |
| Russell 1000® Growth Index<br>(reflects no deduction for fees, expenses or taxes) | (38.44%) | (3.42%)                                   | (4.27%) <sup>1</sup><br>(1.37%) <sup>2</sup> |

1. Ten Years.

2. From 09-30-01.

The average annual total returns measure the performance of a hypothetical account, without deducting charges imposed by the separate accounts that invest in the Fund, and assume that all dividends and capital gains distributions have been reinvested in additional shares. The Fund's performance is compared to the performance of the S&P 500 Index, an unmanaged index of equity securities that is a measure of the general domestic stock market, and the Russell 1000® Growth Index, an unmanaged index of 1,000 U.S. large-cap growth stocks. The index performance includes income reinvestment but does not reflect any transaction costs, fees, expenses or taxes.

*The Fund's total returns should not be expected to be the same as the returns of other Oppenheimer funds, even if both funds have the same portfolio managers and/or similar names.*

## Fees and Expenses of the Fund

The following tables are provided to help you understand the fees and expenses you may pay if you buy and hold shares of the Fund. Shareholders pay certain expenses directly, such as sales charges. The Fund pays other expenses for management of its assets, administration, distribution of its shares and other services. Since those expenses are paid from the Fund's assets, all shareholders pay those expenses indirectly.

The numbers in the Table are based on the Fund's expenses during its fiscal year ended December 31, 2008, but have been restated to reflect the transfer agent fee changes described below as if those changes had been in effect during that entire fiscal year. Expenses may vary in future years.

**Shareholder Fees.** The Fund does not charge an initial sales charge to buy shares or to reinvest dividends. There are no redemption fees and no contingent deferred sales charges. Please refer to the accompanying prospectus of the participating insurance company for information on initial or contingent deferred sales charges, exchange fees or redemption fees for that variable life insurance policy, variable annuity or other investment product. Those charges and fees are not reflected in the tables below.

### Annual Fund Operating Expenses (deducted from Fund assets): (% of average daily net assets)

|  | Non-Service Shares | Service Shares |
|--|--------------------|----------------|
| Management Fees                              | 0.65%              | 0.65%          |
| Distribution and/or Service (12b-1) Fees     | n/a                | 0.25%          |
| Other Expenses <sup>1</sup>                  | 0.11%              | 0.11%          |
| Total Annual Operating Expenses <sup>2</sup> | 0.76%              | 1.01%          |

1. "Other Expenses" include transfer agent fees, custodial fees, and audit and legal expenses that the Fund pays. Effective May 1, 2009, the Fund's transfer agent fee structure has changed. The "Other Expenses" and "Total Annual Operating Expenses" per the above table reflect the estimated annual effect of these contractual changes. Prior to May 1, 2009, the Transfer Agent had voluntarily undertaken to the Fund to limit the transfer agent fees to 0.35% of average daily net assets per fiscal year for all classes. For the Fund's fiscal year ended December 31, 2008, the transfer agent fees did not exceed that expense limitation. The actual "Other Expenses" as a percentage of the average daily net assets for the Fund's fiscal year ended December 31, 2008, were 0.01% for both Non-Service and Service shares. The Fund also receives certain credits from the Fund's custodian that, during the fiscal year ended December 31, 2008, reduced its custodial expenses for all share classes by less than 0.01% of average daily net assets.

2. Effective May 1, 2009, the Manager has voluntarily undertaken to limit the Fund's total annual operating expenses so that those expenses, as percentages of average daily net assets will not exceed the annual rate of 0.80% for Non-Service shares and 1.05% for Service shares. This voluntary undertaking may be amended or withdrawn at any time without notice to shareholders. During the Fund's fiscal year ended December 31, 2008, the actual "Total Annual Operating Expenses," as percentages of average daily net assets were 0.66% for Non-Service shares and 0.91% for Service shares. It is estimated that after giving effect to all of the current fees structures, waivers and credits, the Fund's "Total Annual Operating Expenses," as percentages of average daily net assets would have been 0.76% for Non-Service shares and 1.01% for Service shares during the fiscal year ended December 31, 2008.

**EXAMPLE.** The following example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The example assumes that you invest \$10,000 in a class of shares of the Fund for the time periods indicated and reinvest your dividends and distributions. The expenses for your variable life insurance policy, variable annuity or other investment product are not included and if they were included, overall expenses would be higher. The example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. The Fund's expenses will vary over time and your actual costs may be higher or lower. Based on these assumptions your expenses would be as follows, whether or not you redeemed your shares:

|                    | 1 Year | 3 Years | 5 Years | 10 Years |
|--------------------|--------|---------|---------|----------|
| Service Shares     | \$104  | \$323   | \$561   | \$1,242  |
| Non-Service Shares | \$78   | \$244   | \$424   | \$946    |

In evaluating the Fund's expenses, it is important to remember that mutual funds offer you the opportunity to combine your resources with those of many other investors to obtain professional portfolio management, exposure to a larger number of markets and issuers, reliable custody for investment assets, liquidity, and convenient recordkeeping and reporting services. Funds also offer investment benefits to individuals without the expense and inconvenience of buying and selling individual securities. Because a fund is a pooled investment, however, shareholders may bear certain fund operating costs as a result of the activities of other fund investors. Because some investors may use fund services more than others, or may have smaller accounts or more frequent account activity, those activities may increase the Fund's overall expenses, which are indirectly borne by all of the Fund's shareholders.

## About the Fund's Investments

The allocation of the Fund's portfolio among different types of investments will vary over time and the Fund's portfolio might not always include all of the different types of investments described below. The Statement of Additional Information contains more detailed information about the Fund's investment policies and risks.

**THE FUND'S PRINCIPAL INVESTMENT POLICIES AND RISKS.** The following strategies and types of investments are the ones that the Fund considers to be the most important in seeking to achieve its investment objective and the following risks are those the Fund expects its portfolio to be subject to as a whole.

**INVESTING IN GROWTH COMPANIES.** Growth companies are companies whose earnings and stock prices are expected to grow at a faster rate than the overall market. Growth companies can be new companies or established companies that may be entering a growth cycle in their business. Their anticipated growth may come from developing new products or services or from expanding into new or growing markets. Growth companies may be applying new technologies, new or improved distribution

methods or new business models that could enable them to capture an important or dominant market position. They may have a special area of expertise or the ability to take advantage of changes in demographic or other factors in a more profitable way. Newer growth companies tend to retain a large part of their earnings for research, development or investments in capital assets. Although newer growth companies may not pay any dividends for some time, their stocks may be valued because of their potential for price increases. Current examples include companies in the fields of telecommunications, computer software, and new consumer products.

**COMMON STOCK.** Common stock represents an ownership interest in a company. It ranks below preferred stock and debt securities in claims for dividends and in claims for assets of the issuer in a liquidation or bankruptcy. Common stocks may be exchange-traded or over-the-counter securities. Over-the-counter securities may be less liquid than exchange-traded securities.

Growth stocks may be less liquid and more volatile than other stock investments. They may lose value if the company's business plans do not produce the expected results, or if growth investing falls out of favor with investors. Growth stocks may also be more volatile because of investor speculation.

**OTHER INVESTMENT STRATEGIES AND RISKS.** The Fund can also use the investment techniques and strategies described below. The Fund might not use all of these techniques or strategies or might only use them from time to time.

**Risks of Foreign Investing.** While foreign securities may offer special investment opportunities, they are also subject to special risks. Foreign issuers are usually not subject to the same accounting and disclosure requirements as U.S. companies are subject to, which may make it difficult to evaluate a foreign company's operations or financial condition. A change in value of a foreign currency against the U.S. dollar will result in a change in the U.S. dollar value of securities denominated in that foreign currency and of any income or distributions the Fund may receive on those securities. Additionally, the value of foreign investments may be affected by exchange control regulations, expropriation or nationalization of a company's assets, foreign taxes, higher transaction and other costs, delays in settlement of transactions, changes in economic or monetary policy in the U.S. or abroad, or other political and economic factors.

**Time-Zone Arbitrage.** The Fund may invest in securities of foreign issuers that are traded in U.S. or foreign markets. If the Fund invests a significant amount of its assets in securities traded in foreign markets, it may be exposed to "time-zone arbitrage" attempts by investors seeking to take advantage of differences in the values of foreign securities that might result from events that occur after the close of the foreign securities market on which a security is traded and before the close of the New York Stock Exchange (the "NYSE") that day, when the Fund's net asset value is calculated. If such time-zone arbitrage were successful, it might dilute the interests of other shareholders. However, the Fund's use of "fair value pricing" under certain circumstances, to adjust the closing market prices of foreign securities to reflect what the Fund and the Board believe to be their fair value, may help deter those activities.

**Other Equity Securities.** In addition to common stocks, the Fund can invest in other equity or “equity equivalents” securities such as preferred stocks or convertible securities. Preferred stocks have a set dividend rate and rank ahead of common stocks and behind debt securities in claims for dividends and for assets of the issuer in a liquidation or bankruptcy. The fixed dividend rate of preferred stocks may cause their prices to behave more like those of debt securities. A convertible security is one that can be converted into or exchanged for a set amount of common stock of an issuer within a particular period of time at a specified price or according to a price formula. Convertible securities offer the Fund the ability to participate in stock market movements while also seeking some current income. Convertible debt securities pay interest and convertible preferred stocks pay dividends until they mature or are converted, exchanged or redeemed. The Fund considers some convertible securities to be “equity equivalents” because they are convertible into common stock. The credit ratings of those convertible securities generally have less impact on the investment decision, although they are still subject to credit and interest rate risk.

**Cyclical Opportunities.** At times, the Fund might seek to take advantage of short-term market movements or changes in the business cycle by investing in companies or industries that are sensitive to those changes. For example, when the economy is expanding, companies in consumer durables and the technology sector might benefit. There is a risk that if a cyclical event does not have the anticipated effect, or when the issuer or industry is out of phase in the business cycle, the value of the Fund’s investment could fall.

**Special Portfolio Diversification Requirements.** To enable a variable annuity or variable life insurance contract based on an insurance company separate account to qualify for favorable tax treatment under the Internal Revenue Code, the underlying investments must follow special diversification requirements that limit the percentage of assets that can be invested in securities of particular issuers. The Fund’s investment program is managed to meet those requirements, in addition to other diversification requirements under the Internal Revenue Code and the Investment Company Act of 1940, as amended, that apply to publicly-sold mutual funds.

Failure by the Fund to meet those special requirements could cause earnings on a contract owner’s interest in an insurance company separate account to be taxable income. Those diversification requirements might also limit, to some degree, the Fund’s investment decisions in a way that could reduce its performance.

**Derivative Investments.** The Fund can invest in a number of different types of “derivative” investments. A derivative is an investment whose value depends on (or is derived from) the value of an underlying security, asset, interest rate, index or currency. Derivatives may allow the Fund to increase or decrease its exposure to certain markets or risks.

The Fund may use derivatives to seek to increase its investment return or for hedging purposes. The Fund is not required to use derivatives in seeking its investment objective or for hedging and might not do so.

Options, futures, options on futures, swaps and forward contracts are some of the derivatives that the Fund may use. The Fund may also use other types of derivatives that are consistent with its investment strategies or hedging purposes.

The Fund has percentage limits on its use of hedging instruments and is not required to use hedging instruments in seeking its objective.

**Hedging.** Hedging transactions are intended to reduce the risks of securities in the Fund's portfolio. If the Fund uses a hedging instrument at the wrong time or judges market conditions incorrectly, however, the hedge might be unsuccessful or could reduce the Fund's return or create a loss.

**Risks of Derivative Investments.** Derivatives may be volatile and may involve significant risks. The underlying security or other instrument on which a derivative is based, or the derivative itself, may not perform the way the Fund expects it to. Some derivatives have the potential for unlimited loss, regardless of the size of the Fund's initial investment. The Fund may also lose money on a derivative investment if the issuer fails to pay the amount due.

Certain derivative investments held by the Fund may be illiquid, making it difficult to close out an unfavorable position. Derivative transactions may require the payment of premiums and can increase portfolio turnover. As a result of these risks, the Fund could realize little or no income or lose money from its investment, or the use of a derivative for hedging might be unsuccessful.

**Illiquid and Restricted Securities.** Investments that do not have an active trading market, or that have legal or contractual limitations on their resale, are generally referred to as "illiquid" securities. Illiquid securities may be difficult to value or to sell promptly at an acceptable price or may require registration under applicable securities laws before they can be sold publicly. Securities that have limitations on their resale are referred to as "restricted securities." Certain restricted securities that are eligible for resale to qualified institutional purchasers may not be regarded as illiquid.

The Fund will not invest more than 10% of its net assets in illiquid or restricted securities. The Board can increase that limit to 15%. The Manager monitors the Fund's holdings of illiquid securities on an ongoing basis to determine whether to sell any of those securities to maintain adequate liquidity.

**Loans of Portfolio Securities.** The Fund may loan its portfolio securities to brokers, dealers and financial institutions to seek income. The Fund has entered into a securities lending agreement with Goldman Sachs Bank USA, doing business as Goldman Sachs Agency Lending ("Goldman Sachs") for that purpose. Under the agreement, Goldman Sachs will generally bear the risk that a borrower may default on its obligation to return loaned securities. The Fund, however, will be responsible for the risks associated with the investment of cash collateral, including any collateral invested in an affiliated money market fund. The Fund may lose money on its investment of cash collateral or may fail to earn sufficient income on its investment to meet its obligations to the borrower. The Fund's portfolio loans must comply with the collateralization and other requirements of the Fund's securities lending agreement, its securities lending procedures and applicable government regulations.

The Fund limits loans of portfolio securities to not more than 25% of its net assets.

**Conflicts of Interest.** The investment activities of the Manager and its affiliates in regard to other accounts they manage may present conflicts of interest that could disadvantage the Fund and its shareholders. The Manager or its affiliates may provide investment advisory services to other funds and accounts that have investment objectives or strategies that differ

from, or are contrary to, those of the Fund. That may result in another fund or account holding investment positions that are adverse to the Fund's investment strategies or activities. Other funds or accounts advised by the Manager or its affiliates may have conflicting interests arising from investment objectives that are similar to those of the Fund. Those funds and accounts may engage in, and compete for, the same types of securities or other investments as the Fund or invest in securities of the same issuers that have different, and possibly conflicting, characteristics. The trading and other investment activities of those other funds or accounts may be carried out without regard to the investment activities of the Fund and, as a result, the value of securities held by the Fund or the Fund's investment strategies may be adversely affected. The Fund's investment performance will usually differ from the performance of other accounts advised by the Manager or its affiliates and the Fund may experience losses during periods in which other accounts advised by the Manager or its affiliates achieve gains. The Manager has adopted policies and procedures designed to address potential conflicts of interest identified by the Manager; however, such policies and procedures may also limit the Fund's investment activities and affect its performance.

The Fund offers its shares to separate accounts of different insurance companies, as an investment for their variable annuity, variable life and other investment product contracts. While the Fund does not foresee any disadvantages to contract owners from these arrangements, it is possible that the interests of owners of different contracts participating in the Fund through different separate accounts might conflict. For example, a conflict could arise because of differences in tax treatment.

**Investments in Oppenheimer Institutional Money Market Fund.** The Fund can invest its free cash balances in Class E shares of Oppenheimer Institutional Money Market Fund, to provide liquidity or for defensive purposes. The Fund invests in Oppenheimer Institutional Money Market Fund, rather than purchasing individual short-term investments, to seek a higher yield than it could obtain on its own. Oppenheimer Institutional Money Market Fund is a registered open-end management investment company, regulated as a money market fund under the Investment Company Act of 1940, and is part of the Oppenheimer Family of Funds. It invests in a variety of short-term, high-quality, dollar-denominated money market instruments issued by the U.S. Government, domestic and foreign corporations, other financial institutions, and other entities. Those investments may have a higher rate of return than the investments that would be available to the Fund directly. At the time of an investment, the Fund cannot always predict what the yield of the Oppenheimer Institutional Money Market Fund will be because of the wide variety of instruments that fund holds in its portfolio. The return on those investments may, in some cases, be lower than the return that would have been derived from other types of investments that would provide liquidity. As a shareholder, the Fund will be subject to its proportional share of the expenses of Oppenheimer Institutional Money Market Fund's Class E shares, including its advisory fee. However, the Manager will waive a portion of the Fund's advisory fee to the extent of the Fund's share of the advisory fee paid to the Manager by Oppenheimer Institutional Money Market Fund.

**Industry and Sector Focus.** At times the Fund may increase the relative emphasis of its investments in a particular industry or sector. The prices of stocks of issuers in a particular industry or sector may go up and down in response to changes in economic conditions,

government regulations, availability of basic resources or supplies, or other events that affect that industry or sector more than others. To the extent that the Fund increases the relative emphasis of its investments in a particular industry or sector, its share values may fluctuate in response to events affecting that industry or sector. To some extent that risk may be limited by the Fund's policy of not concentrating 25% or more of its total assets in investments in any one industry or group of industries.

**Temporary Defensive and Interim Investments.** For temporary defensive purposes in times of adverse or unstable market, economic or political conditions, the Fund can invest up to 100% of its assets in investments that may be inconsistent with the Fund's principal investment strategies. Generally, the Fund would invest in shares of Oppenheimer Institutional Money Market Fund or in the types of money market instruments in which Oppenheimer Institutional Money Market Fund invests or in other short-term U.S. Government securities. The Fund might also hold these types of securities as interim investments pending the investment of proceeds from the sale of Fund shares or the sale of Fund portfolio securities or to meet anticipated redemptions of Fund shares. To the extent the Fund invests in these securities, it might not achieve its investment objective.

**Portfolio Turnover.** A change in the securities held by the Fund is known as "portfolio turnover." The Fund may engage in active and frequent trading to try to achieve its investment objective and may have a portfolio turnover rate of over 100% annually. Increased portfolio turnover may result in higher brokerage fees or other transaction costs, which can reduce performance. If the Fund realizes capital gains when it sells investments, it generally must pay those gains to shareholders, increasing its taxable distributions. The Financial Highlights table at the end of this prospectus shows the Fund's portfolio turnover rates during past fiscal years.

**CHANGES TO THE FUND'S INVESTMENT POLICIES.** The Fund's fundamental investment policies cannot be changed without the approval of a majority of the Fund's outstanding voting shares; however, the Fund's Board can change non-fundamental policies without a shareholder vote. Significant policy changes will be described in supplements to this prospectus. The Fund's investment objective is a fundamental policy. Other investment restrictions that are fundamental policies are listed in the Fund's Statement of Additional Information. An investment policy is not fundamental unless this prospectus or the Statement of Additional Information states that it is.

## **PORTFOLIO HOLDINGS**

The Fund's portfolio holdings are included in semi-annual and annual reports that are distributed to its shareholders within 60 days after the close of the applicable reporting period. The Fund also discloses its portfolio holdings in its Statements of Investments on Form N-Q, which are public filings that are required to be made with the Securities and Exchange Commission within 60 days after the end of the Fund's first and third fiscal quarters. Therefore, the Fund's portfolio holdings are made publicly available no later than 60 days after the end of each of its fiscal quarters.

A description of the Fund's policies and procedures with respect to the disclosure of its portfolio holdings is available in the Fund's Statement of Additional Information.

## How the Fund is Managed

**THE MANAGER.** OppenheimerFunds, Inc., the Manager, chooses the Fund's investments and handles its day-to-day business. The Manager carries out its duties, subject to the policies established by the Fund's Board of Trustees, under an investment advisory agreement that states the Manager's responsibilities. The agreement sets the fees the Fund pays to the Manager and describes the expenses that the Fund is responsible to pay to conduct its business.

The Manager has been an investment adviser since 1960. The Manager and a subsidiary managed funds with more than 6 million shareholder accounts as of December 31, 2008. The Manager is located at Two World Financial Center, 225 Liberty Street, 11th Floor, New York, New York 10281-1008.

**Advisory Fees.** Under the investment advisory agreement, the Fund pays the Manager an advisory fee at an annual rate that declines on additional assets as the Fund grows: 0.75% of the first \$200 million of average annual net assets, 0.72% of the next \$200 million, 0.69% of the next \$200 million, 0.66% of the next \$200 million, and 0.60% of average annual net assets over \$800 million. The Fund's management fee for its fiscal year ended December 31, 2008, was 0.65% of the Fund's average annual net assets for each class of shares.

Effective May 1, 2009, the Manager has voluntarily undertaken to limit the Fund's total annual operating expenses so that those expenses, as percentages of average daily net assets will not exceed the annual rate of 0.80% for Non-Service shares and 1.05% for Service shares. This voluntary undertaking may be amended or withdrawn at any time without notice to shareholders.

A discussion regarding the basis for the Board of Trustees' approval of the Fund's investment advisory contract is available in the Fund's Annual Report to shareholders for the year ended December 31, 2008.

**Portfolio Manager.** The Fund's portfolio is managed by Marc L. Baylin, CFA, who is primarily responsible for the day-to-day management of the Fund's investments. Mr. Baylin has been a Vice President and portfolio manager of the Fund since October 2005.

Mr. Baylin has been a Vice President of the Manager and a member of the Manager's Growth Equity Investment Team since September 2005. He was Managing Director and Lead Portfolio Manager at JP Morgan Fleming Investment Management from June 2002 to August 2005 and was a Vice President of T. Rowe Price, where he was an investment analyst from June 1993 and a portfolio manager from March 1999 to June 2002. Mr. Baylin is a portfolio manager and officer of other portfolios in the OppenheimerFunds complex.

The Statement of Additional Information provides additional information about the portfolio manager's compensation, other accounts he manages and his ownership of Fund shares.

## INVESTING IN THE FUND

### How to Buy and Sell Shares

*You may only submit instructions for buying or selling shares of the Fund to your insurance company or its servicing agent, not directly to the Fund or its Transfer Agent. Information about your investment in the Fund can only be obtained from your participating insurance company or its servicing agent. The Fund's Transfer Agent does not hold or have access to those records.*

**WHAT CLASSES OF SHARES DOES THE FUND OFFER?** The Fund currently offers two different classes of shares. The different classes of shares represent investments in the same portfolio of securities, but the classes are subject to different expenses and will usually have different share prices. The Service Shares are subject to a distribution and service plan. The expenses of that plan are described below. The Non-Service Shares are not subject to a service and distribution plan.

**THE PRICE OF FUND SHARES.** Fund shares are sold to participating insurance companies at their **net asset value** per share. The net asset value that applies to a purchase order is the next one calculated after the insurance company (as the Fund's designated agent to receive purchase orders) receives the order from its contract owner, in proper form. Fund shares are redeemed at the next net asset value calculated after the insurance company (as the Fund's designated agent to receive purchase orders) receives the order from its contract owner, in proper form. The Fund's Transfer Agent generally must receive the purchase or redemption order from the insurance company by 9:30 a.m. Eastern Time on the next regular business day.

The Fund does not impose any sales charge on purchases of its shares. If there are any charges imposed under the variable annuity, variable life or other contract through which Fund shares are purchased, they are described in the accompanying prospectus of the participating insurance company. The participating insurance company's prospectus may also include information regarding the time you must submit your purchase and redemption orders.

**Net Asset Value.** The Fund calculates the net asset value of each class of shares as of the close of the New York Stock Exchange (the "NYSE"), on each day the NYSE is open for trading (referred to in this prospectus as a "regular business day"). The NYSE normally closes at 4:00 p.m., Eastern Time, but may close earlier on some days.

The Fund determines the net assets of each class of shares by subtracting the class-specific expenses and the amount of the Fund's liabilities attributable to the share class from the market value of the Fund's securities and other assets attributable to the share class. The Fund's "other assets" might include, for example, cash and interest or dividends from its portfolio securities that have been accrued but not yet collected. The Fund's securities are valued primarily on the basis of current market quotations.

The net asset value per share for each share class is determined by dividing the net assets of the class by the number of outstanding shares of that class.

**Fair Value Pricing.** If market quotations are not readily available or (in the Manager's judgment) do not accurately reflect the fair value of a security, or if after the close of the

principal market on which a security held by the Fund is traded and before the time as of which the Fund's net asset value is calculated that day, an event occurs that the Manager learns of and believes in the exercise of its judgment will cause a material change in the value of that security from the closing price of the security on the principal market on which it is traded, that security may be valued by another method that the Board believes would more accurately reflect the security's fair value.

In determining whether current market prices are readily available and reliable, the Manager monitors the information it receives in the ordinary course of its investment management responsibilities. It seeks to identify significant events that it believes, in good faith, will affect the market prices of the securities held by the Fund. Those may include events affecting specific issuers (for example, a halt in trading of the securities of an issuer on an exchange during the trading day) or events affecting securities markets (for example, a foreign securities market closes early because of a natural disaster). The Board has adopted valuation procedures for the Fund and has delegated the day-to-day responsibility for fair value determinations to the Manager's "Valuation Committee." Those determinations may include consideration of recent transactions in comparable securities, information relating to the specific security, developments in the markets and their performance, and current valuations of foreign or U.S. indices. Fair value determinations by the Manager are subject to review, approval and ratification by the Board at its next scheduled meeting after the fair valuations are determined.

The Fund's use of fair value pricing procedures involves subjective judgments and it is possible that the fair value determined for a security may be materially different from the value that could be realized upon the sale of that security. Accordingly, there can be no assurance that the Fund could obtain the fair value assigned to a security if it were to sell the security at approximately the same time at which the Fund determines its net asset value per share.

**Pricing Foreign Securities.** The Fund may use fair value pricing more frequently for securities primarily traded on foreign exchanges. Because many foreign markets close hours before the Fund, values its foreign portfolio holdings, significant events, including broad market movements, may occur during that time that could potentially affect the values of foreign securities held by the Fund.

The Manager believes that foreign securities values may be affected by volatility that occurs in U.S. markets after the close of foreign securities markets. The Manager's fair valuation procedures therefore include a procedure whereby foreign securities prices may be "fair valued" to take those factors into account.

Because some foreign securities trade in markets and on exchanges that operate on weekends and U.S. holidays, the values of some of the Fund's foreign investments may change on days when investors cannot buy or redeem Fund shares.

**HOW CAN YOU BUY FUND SHARES?** Shares of the Fund may be purchased only by separate investment accounts of participating insurance companies as an underlying investment for variable life insurance policies, variable annuity contracts or other investment products. *Individual investors cannot buy shares of the Fund directly.* Please refer to the accompanying prospectus of the participating insurance company for information

on how to select the Fund as an investment option. That prospectus will indicate which share class you may be eligible to purchase.

**Suspension of Share Offering.** The offering of Fund shares may be suspended during any period in which the determination of net asset value is suspended, and may be suspended by the Board at any time the Board believes it is in the Fund's best interest to do so.

**HOW CAN YOU REDEEM FUND SHARES?** Only the participating insurance companies that hold Fund shares in their separate accounts can place orders to redeem shares. Contract holders and policy holders should not directly contact the Fund or its transfer agent to request a redemption of Fund shares. The Fund normally sends payment by Federal Funds wire to the insurance company's account on the next business day after the Fund receives the order (and no later than seven days after the Fund's receipt of the order). Under unusual circumstances determined by the Securities and Exchange Commission, payment may be delayed or suspended. *Contract owners should refer to the withdrawal or surrender instructions in the accompanying prospectus of the participating insurance company.*

#### **Limitations on Frequent Transactions**

Frequent purchases and redemptions of Fund shares may interfere with the Manager's ability to manage the Fund's investments efficiently, may increase its transaction and administrative costs and may affect its performance, depending on various factors, such as the size of the Fund, the nature of its investments, the amount of Fund assets the portfolio manager maintains in cash or cash equivalents, and the aggregate dollar amount, the number and the frequency of trades.

If large dollar amounts are involved in frequent redemption transactions, the Fund might be required to sell portfolio securities at unfavorable times to meet those transaction requests, and the Fund's brokerage or administrative expenses might be increased. Therefore, the Manager and the Fund's Board have adopted the following policies and procedures to detect and prevent frequent and/or excessive purchase and redemption activity, while addressing the needs of investors who seek liquidity in their investment. There is no guarantee that those policies and procedures, described below, will be sufficient to identify and deter all excessive short-term trading. If the Transfer Agent is not able to detect and curtail such activity, frequent trading could occur in the Fund.

#### **Policies on Disruptive Activity**

The Transfer Agent and the Distributor, on behalf of the Fund, have entered into agreements with participating insurance companies designed to detect and restrict excessive short-term trading activity by contract or policy owners or their financial advisers in their accounts. The Transfer Agent generally does not consider periodic asset allocation or re-balancing that affects a portion of the Fund shares held in the account of a policy or contract owner to be "excessive trading." However, the Transfer Agent has advised participating insurance companies that it generally considers certain other types of trading activity to be "excessive," such as making a "transfer" out of the Fund within 30 days after buying Fund shares (by the sale of the recently purchased Fund shares and the purchase of shares of another fund) or making more than six "round-trip transfers" between funds during one year. The agreements require participating insurance companies to provide

transaction information to the Fund and to execute Fund instructions to restrict trading in Fund shares.

A participating insurance company may also have its own policies and procedures and may impose its own restrictions or limitations to discourage short-term and/or excessive trading by its policy or contract owners. Those policies and procedures may be different from the Fund's in certain respects. You should refer to the prospectus for your insurance company variable annuity contract for specific information about the insurance company's policies. Under certain circumstances, policy or contract owners may be required to transmit purchase or redemption orders only by first class U.S. mail.

**Monitoring the Policies.** The Fund's policies and procedures for detecting and deterring frequent or excessive trading are administered by the Fund's Transfer Agent. However, the Transfer Agent presently does not have the ability to directly monitor trading activity in the accounts of policy or contract owners within the participating insurance companies' accounts. The Transfer Agent's ability to monitor and deter excessive short-term trading in such insurance company accounts ultimately depends on the capability and diligence of each participating insurance company, under their agreements with the Transfer Agent, the Distributor and the Fund, in monitoring and controlling the trading activity of the policy or contract owners in the insurance company's accounts.

The Transfer Agent will attempt to monitor the net effect on the Fund's assets from the purchase and redemption activity in the accounts of participating insurance companies and will seek to identify patterns that may suggest excessive trading by the contract or policy owners who invest in the insurance company's accounts. If the Transfer Agent believes it has observed evidence of possible excessive trading activity, it will ask the participating insurance companies or other registered owners to provide information about the transaction activity of the contract or policy holders in their respective accounts, and to take appropriate action. In that case, the insurance company must confirm to the Transfer Agent that appropriate action has been taken to curtail the excessive trading activity.

The Transfer Agent will, subject to the limitations described in this section, limit or terminate the trading activity of any person, group or account that it believes would be excessive or disruptive. However, the Transfer Agent may not be able to detect or curtail all such trading activity in the Fund. The Transfer Agent will evaluate trading activity on a case by case basis and the limitations placed on trading may vary between accounts.

**Right to Refuse Purchase Orders.** The Fund's Distributor or Transfer Agent may, in their discretion, refuse any purchase order and are not obligated to provide notice before rejecting an order.

## **DISTRIBUTION AND SERVICE (12b-1) PLANS**

**Distribution and Service Plan for Service Shares.** The Fund has adopted a Distribution and Service Plan for Service Shares to pay the Distributor for distribution related services, personal services and account maintenance for those shares. Under the Plan, the Fund pays the Distributor quarterly at an annual rate of up to 0.25% of the daily net assets of the Fund's Service Shares. Because these fees are paid out of the Fund's assets on an on-going basis, over time they will increase the operating expenses of the Service Shares and

may cost you more than other types of fees or sales charges. As a result, the Service Shares may have lower performance compared to the Fund's shares that are not subject to a service fee.

**Use of Plan Fees:** The Distributor currently uses all of those fees to compensate sponsor(s) of the insurance product for providing personal services and account maintenance for variable contract owners that hold Service Shares.

**PAYMENTS TO FINANCIAL INTERMEDIARIES AND SERVICE PROVIDERS.** The Manager and the Distributor, in their discretion, may also make payments to brokers, dealers and other financial intermediaries or service providers for distribution and/or shareholder servicing activities. Those payments are made out of the Manager's and/or the Distributor's own resources and/or assets, including from the revenues or profits derived from the advisory fees the Manager receives from the Fund. Those cash payments, which may be substantial, are paid to many firms having business relationships with the Manager and Distributor and are in addition to any distribution fees, servicing fees, or transfer agency fees paid directly or indirectly by the Fund to these financial intermediaries and any commissions the Distributor pays to those firms out of the sales charges paid by investors. Payments by the Manager or Distributor from their own resources are not reflected in the tables in the "Fees and Expenses of the Fund" section of this prospectus because they are not paid by the Fund.

The financial intermediaries that may receive those payments include firms that offer and sell Fund shares to their clients, or provide shareholder services to the Fund, or both, and receive compensation for those activities. The financial intermediaries that may receive payments include securities brokers, dealers or financial advisers, sponsors of fund "supermarkets," sponsors of fee-based advisory or wrap fee programs, sponsors of college and retirement savings programs, banks, trust companies and other intermediaries offering products that hold Fund shares, and insurance companies that offer variable annuity or variable life insurance products.

In general, these payments to financial intermediaries can be categorized as "distribution-related" or "servicing" payments. Payments for distribution-related expenses, such as marketing or promotional expenses, are often referred to as "revenue sharing." Revenue sharing payments may be made on the basis of the sales of shares attributable to that intermediary, the average net assets of the Fund and other Oppenheimer funds attributable to the accounts of that intermediary and its clients, negotiated lump sum payments for distribution services provided, or similar fees. In some circumstances, revenue sharing payments may create an incentive for a financial intermediary or its representatives to recommend or offer shares of the Fund or other Oppenheimer funds to its customers. These payments also may give an intermediary an incentive to cooperate with the Distributor's marketing efforts. A revenue sharing payment may, for example, qualify the Fund for preferred status with the intermediary receiving the payment or provide representatives of the Distributor with access to representatives of the intermediary's sales force, in some cases on a preferential basis over funds of competitors. Additionally, as firm support, the Manager or Distributor may reimburse expenses related to educational seminars and "due diligence" or training meetings (to the extent permitted by applicable

laws or the rules of the Financial Industry Regulatory Authority (“FINRA”), formerly known as the NASD) designed to increase sales representatives’ awareness about Oppenheimer funds, including travel and lodging expenditures. However, the Manager does not consider a financial intermediary’s sale of shares of the Fund or other Oppenheimer funds when selecting brokers or dealers to effect portfolio transactions for the funds.

Various factors are used to determine whether to make revenue sharing payments. Possible considerations include, without limitation, the types of services provided by the intermediary, sales of Fund shares, the redemption rates on accounts of clients of the intermediary or overall asset levels of Oppenheimer funds held for or by clients of the intermediary, the willingness of the intermediary to allow the Distributor to provide educational and training support for the intermediary’s sales personnel relating to the Oppenheimer funds, the availability of the Oppenheimer funds on the intermediary’s sales system, as well as the overall quality of the services provided by the intermediary and the Manager or Distributor’s relationship with the intermediary. The Manager and Distributor have adopted guidelines for assessing and implementing each prospective revenue sharing arrangement. To the extent that financial intermediaries receiving distribution-related payments from the Manager or Distributor sell more shares of the Oppenheimer funds or retain more shares of the funds in their client accounts, the Manager and Distributor benefit from the incremental management and other fees they receive with respect to those assets.

Payments may also be made by the Manager, the Distributor or the Transfer Agent to financial intermediaries to compensate or reimburse them for administrative or other client services provided such as sub-transfer agency services for shareholders or retirement plan participants, omnibus accounting or sub-accounting, participation in networking arrangements, account set-up, recordkeeping and other shareholder services. Payments may also be made for administrative services related to the distribution of Fund shares through the intermediary. Firms that may receive servicing fees include retirement plan administrators, qualified tuition program sponsors, banks and trust companies, insurance companies that offer variable annuity or variable life insurance products, and others. These fees may be used by the service provider to offset or reduce fees that would otherwise be paid directly to them by certain account holders, such as retirement plans. The Statement of Additional Information contains more information about revenue sharing and service payments made by the Manager or the Distributor. Your broker, dealer or other financial intermediary may charge you fees or commissions in addition to those disclosed in this prospectus. ***You should ask your financial intermediary for details about any such payments it receives from the Manager or the Distributor and their affiliates, or any other fees or expenses it charges.***

## **Dividends, Capital Gains and Taxes**

**DIVIDENDS AND DISTRIBUTIONS.** The Fund intends to declare and pay dividends annually from any net investment income. The Fund may also realize capital gains on the sale of portfolio securities, in which case it may make distributions out of any net short-term or long-term capital gains annually. The Fund may also make supplemental distributions of dividends and capital gains following the end of its fiscal year. The Fund

has no fixed dividend rate and cannot guarantee that it will pay any dividends or capital gains distributions in a particular year.

Dividends and distributions are paid separately for each share class. Because of the higher expenses on Service Shares, the dividends and capital gains distributions paid on those shares will generally be lower than for other Fund shares.

**Receiving Dividends and Distributions.** Any dividends and capital gains distributions will be automatically reinvested in additional Fund shares for the account of the participating insurance company, unless the insurance company elects to have dividends or distributions paid in cash.

**TAXES.** For a discussion of the tax status of a variable annuity contract, a variable life insurance policy or other investment product of a participating insurance company, please refer to the accompanying prospectus of your participating insurance company. Because shares of the Fund may be purchased only through insurance company separate accounts for variable annuity contracts, variable life insurance policies or other investment products, any dividends from net investment income and distributions of net realized short-term and long-term capital gains will be taxable, if at all, to the participating insurance company. Those payments may affect the tax basis of certain types of distributions from those accounts, however.

The Fund has qualified and intends to qualify each year to be taxed as a regulated investment company under the Internal Revenue Code by satisfying certain income, asset diversification and income distribution requirements, but reserves the right not to so qualify. In each year that it qualifies as a regulated investment company, the Fund will not be subject to federal income taxes on its income that it distributes to shareholders.

This information is only a summary of certain Federal income tax information about your investment. You are encouraged to consult your tax adviser about the effect of an investment in the Fund on your particular tax situation and about any changes to the Internal Revenue Code that may occur from time to time. Additional information about the tax effects of investing in the Fund is contained in the Statement of Additional Information.

## Financial Highlights

The Financial Highlights Table is presented to help you understand the Fund's financial performance for the past five fiscal years. Certain information reflects financial results for a single Fund share. The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in the Fund (assuming reinvestment of all dividends and distributions). This information has been audited by Deloitte & Touche LLP, the Fund's independent registered public accounting firm, whose report, along with the Fund's financial statements, is included in the Statement of Additional Information, which is available upon request. KPMG LLP has been appointed as the independent registered public accounting firm to the Fund for fiscal year end 2009. See the Statement of Additional Information for additional information.

## FINANCIAL HIGHLIGHTS

### Non-Service

| Shares  | Year Ended December 31, | 2008                   | 2007                   | 2006                   | 2005               | 2004               |
|---|-------------------------|------------------------|------------------------|------------------------|--------------------|--------------------|
| <b>Per Share Operating Data</b>                     |                         |                        |                        |                        |                    |                    |
| Net asset value, beginning of period                |                         | \$47.18                | \$41.43                | \$38.52                | \$36.99            | \$34.70            |
| Income (loss) from investment operations:           |                         |                        |                        |                        |                    |                    |
| Net investment income <sup>1</sup>                  |                         | .10                    | .07                    | .07                    | .18                | .35 <sup>2</sup>   |
| Net realized and unrealized gain (loss)             |                         | (21.55)                | 5.78                   | 2.98                   | 1.68               | 2.05               |
| Total from investment operations                    |                         | (21.45)                | 5.85                   | 3.05                   | 1.86               | 2.40               |
| Dividends and/or distributions to shareholders:     |                         |                        |                        |                        |                    |                    |
| Dividends from net investment income                |                         | (.06)                  | (.10)                  | (.14)                  | (.33)              | (.11)              |
| Net asset value, end of period                      |                         | <b>\$25.67</b>         | <b>\$47.18</b>         | <b>\$41.43</b>         | <b>\$38.52</b>     | <b>\$36.99</b>     |
| <b>Total Return, at Net Asset Value<sup>3</sup></b> |                         |                        |                        |                        |                    |                    |
|   |                         | (45.52)%               | 14.15%                 | 7.95%                  | 5.10%              | 6.93%              |
| <b>Ratios/Supplemental Data</b>                     |                         |                        |                        |                        |                    |                    |
| Net assets, end of period (in thousands)            | \$                      | 829,931                | \$1,631,791            | \$1,598,967            | \$1,652,282        | \$1,770,273        |
| Average net assets (in thousands)                   |                         | \$1,256,525            | \$1,631,686            | \$1,615,352            | \$1,658,910        | \$1,708,511        |
| Ratios to average net assets: <sup>4</sup>          |                         |                        |                        |                        |                    |                    |
| Net investment income                               |                         | 0.25%                  | 0.15%                  | 0.17%                  | 0.47%              | 0.99% <sup>2</sup> |
| Total expenses                                      |                         | 0.66% <sup>5,6,7</sup> | 0.65% <sup>5,6,7</sup> | 0.67% <sup>5,6,7</sup> | 0.66% <sup>6</sup> | 0.66% <sup>6</sup> |
| Portfolio turnover rate                             |                         | 67%                    | 59%                    | 47%                    | 70%                | 44%                |

1. Per share amounts calculated based on the average shares outstanding during the period.

2. Net investment income per share and the net investment income ratio include \$0.16 and 0.43%, respectively, resulting from a special dividend from Microsoft Corp. in November 2004.

3. Assumes an investment on the business day before the first day of the fiscal period, with all dividends and distributions reinvested in additional shares on the reinvestment date, and redemption at the net asset value calculated on the last business day of the fiscal period. Total returns are not annualized for periods less than one full year. Total return information does not reflect expenses that apply at the separate account level or to related insurance products. Inclusion of these charges would reduce the total return figures for all periods shown. Returns do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

4. Annualized for periods less than one full year.

5. Total expenses including indirect expenses from affiliated fund were as follows:

|                              |       |
|------------------------------|-------|
| Year Ended December 31, 2008 | 0.66% |
| Year Ended December 31, 2007 | 0.65% |
| Year Ended December 31, 2006 | 0.67% |

6. Reduction to custodian expenses less than 0.005%.

7. Waiver or reimbursement of indirect management fees less than 0.005%.

| <b>Service Shares</b>                           | <b>Year Ended December 31,</b> | <b>2008</b>     | <b>2007</b>     | <b>2006</b>    | <b>2005</b>    | <b>2004</b>      |
|---|--------------------------------|-----------------|-----------------|----------------|----------------|------------------|
| <b>Per Share Operating Data</b>                 |                                |                 |                 |                |                |                  |
| Net asset value, beginning of period            |                                | \$46.78         | \$41.09         | \$38.23        | \$36.73        | \$34.53          |
| Income (loss) from investment operations:       |                                |                 |                 |                |                |                  |
| Net investment income (loss) <sup>1</sup>       |                                | -- <sup>2</sup> | (.05)           | (.03)          | .08            | .29 <sup>3</sup> |
| Net realized and unrealized gain (loss)         |                                | (21.36)         | 5.74            | 2.96           | 1.69           | 1.99             |
| Total from investment operations                |                                | (21.36)         | 5.69            | 2.93           | 1.77           | 2.28             |
| Dividends and/or distributions to shareholders: |                                |                 |                 |                |                |                  |
| Dividends from net investment income            |                                | --              | -- <sup>2</sup> | (.07)          | (.27)          | (.08)            |
| Net asset value, end of period                  |                                | <b>\$25.42</b>  | <b>\$46.78</b>  | <b>\$41.09</b> | <b>\$38.23</b> | <b>\$36.73</b>   |

|   |          |        |       |       |       |
|---|----------|--------|-------|-------|-------|
| <b>Total Return, at Net Asset Value<sup>4</sup></b> | (45.66)% | 13.86% | 7.68% | 4.87% | 6.62% |
|---|----------|--------|-------|-------|-------|

| <b>Ratios/Supplemental Data</b>            |                        |                        |                        |                    |                    |
|--|------------------------|------------------------|------------------------|--------------------|--------------------|
| Net assets, end of period (in thousands)   | \$313,931              | \$546,887              | \$463,140              | \$381,852          | \$248,649          |
| Average net assets (in thousands)          | \$454,558              | \$510,874              | \$426,539              | \$301,780          | \$184,273          |
| Ratios to average net assets: <sup>5</sup> |                        |                        |                        |                    |                    |
| Net investment income (loss)               | 0.00% <sup>6</sup>     | (0.10)%                | (0.08)%                | 0.20%              | 0.85% <sup>3</sup> |
| Total expenses                             | 0.91% <sup>7,8,9</sup> | 0.91% <sup>7,8,9</sup> | 0.92% <sup>7,8,9</sup> | 0.91% <sup>8</sup> | 0.91% <sup>8</sup> |
| Portfolio turnover rate                    | 67%                    | 59%                    | 47%                    | 70%                | 44%                |

1. Per share amounts calculated based on the average shares outstanding during the period.

2. Less than \$0.005 per share.

3. Net investment income per share and the net investment income ratio include \$0.16 and 0.43%, respectively, resulting from a special dividend from Microsoft Corp. in November 2004.

4. Assumes an investment on the business day before the first day of the fiscal period, with all dividends and distributions reinvested in additional shares on the reinvestment date, and redemption at the net asset value calculated on the last business day of the fiscal period. Total returns are not annualized for periods less than one full year. Total return information does not reflect expenses that apply at the separate account level or to related insurance products. Inclusion of these charges would reduce the total return figures for all periods shown. Returns do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

5. Annualized for periods less than one full year.

6. Less than 0.005%

7. Total expenses including indirect expenses from affiliated fund were as follows:

|                              |       |
|------------------------------|-------|
| Year Ended December 31, 2008 | 0.91% |
| Year Ended December 31, 2007 | 0.91% |
| Year Ended December 31, 2006 | 0.92% |

8. Reduction to custodian expenses less than 0.005%.

9. Voluntary waiver or reimbursement of indirect management fees less than 0.005%.

## INFORMATION AND SERVICES

**STATEMENT OF ADDITIONAL INFORMATION.** This document includes additional information about the Fund's investment policies, risks, and operations. It is incorporated by reference into this prospectus (it is legally part of this prospectus).

**ANNUAL AND SEMI-ANNUAL REPORTS.** The Fund's Annual and Semi-Annual Reports provide additional information about the Fund's investments and performance. The Annual Report includes a discussion of market conditions and investment strategies that significantly affected the Fund's performance during its last fiscal year.

### How to Request More Information

You can request the above documents, the notice explaining the Fund's privacy policy, and other information about the Fund, without charge, by:

|                   |   |
|-------------------|---|
| <b>Telephone:</b> | Call OppenheimerFunds Services toll-free:<br><b>1-800-988-8287</b>  |
| <b>Mail:</b>      | Use the following address for regular mail:<br>OppenheimerFunds Services<br>P.O. Box 5270<br>Denver, Colorado 80217-5270                              |
|                   | Use the following address for courier or express mail:<br>OppenheimerFunds Services<br>12100 East Iliff Avenue<br>Suite 300<br>Aurora, Colorado 80014 |
| <b>Internet:</b>  | You may request documents, and read or download certain documents at <a href="http://www.oppenheimerfunds.com">www.oppenheimerfunds.com</a>           |

Information about the Fund including the Statement of Additional Information can be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1.202.942.8090. Reports and other information about the Fund are available on the EDGAR database on the SEC's Internet website at [www.sec.gov](http://www.sec.gov). Copies may be obtained after payment of a duplicating fee by electronic request at the SEC's e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov) or by writing to the SEC's Public Reference Section, Washington, D.C. 20549-0102.

**No one has been authorized to provide any information about the Fund or to make any representations about the Fund other than what is contained in this prospectus. This prospectus is not an offer to sell shares of the Fund, nor a solicitation of an offer to buy shares of the Fund, to any person in any state or other jurisdiction where it is unlawful to make such an offer.**

The Fund's SEC File No.: 811-4108  
PR0610.001.0409



**OppenheimerFunds®**  
The Right Way to Invest