



Planning a Successful Retirement



OppenheimerFunds®
The Right Way to Invest

Plans That Work

OppenheimerFunds Retirement Services is committed to helping you meet the challenge of having enough money to fund the retirement of your dreams.

Your retirement plan includes a wide array of high quality investments, such as time-tested mutual funds and asset allocation solutions from OppenheimerFunds—an industry leader dedicated to providing investment excellence.

The investments offered are one part of your comprehensive retirement program that comes complete with education, planning tools, communication and support. From enrollment to retirement income planning, we provide the solutions you need.

In short, we create *Plans That Work*.

A Successful Retirement— Within Your Reach

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A successful retirement. Certainly, your idea of what that entails—where you'll live, what you'll do—is different from everyone else's. Yet there is one thing that underlies almost everyone's notion of a fulfilling future, and that's financial security. Let's face it. Even the simplest pleasures may be difficult to enjoy if your finances are a major worry.

The fact is, it will take money—perhaps more than you realize—to help ensure your golden years are personally satisfying.

But here's another fact: a successful retirement is within your reach. How do you make it a reality? There are three keys:

careful planning, disciplined saving and smart investing.

This booklet offers some sound ideas on all of them.

Let's face it. Even the simplest pleasures may be difficult to enjoy if your finances are a major worry.

What Will Retirement Cost?

Social Security is plagued by a shrinking workforce and growing retirement population.

How much money will it take to fund your future?

Many experts agree that you should figure on roughly 80% of your preretirement income, multiplied by the number of years you'll spend drawing down your resources.

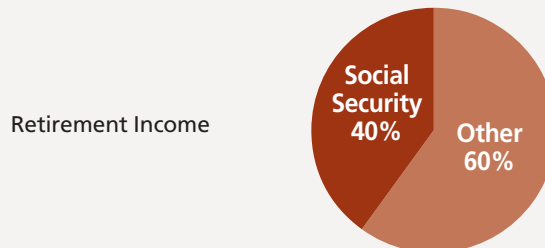
Preretirement Income	x	80%	x	Years of Retirement	=	
\$30,000	x	0.80	x	20 Years	=	\$480,000

While the answer you get will be in today's dollars (rather than in tomorrow's inflated ones), it will give you a ballpark figure of what it could take to maintain your preretirement standard of living. Of course, you'll also be updating this estimate regularly as your assumptions about the future change.

It's smart to do a detailed budget with your projected annual living expenses. Be sure to pay careful attention to costs likely to change as you transition from a working to a retirement lifestyle. Among them: Transportation, clothing, recreation and medical expenses.

A Big Piece of the Pie

If you retired today, approximately 60% of your income might have to be replaced with money from sources other than Social Security.¹



1. Source of data: [socialsecurity.gov/planners/morecalculators.htm](https://www.socialsecurity.gov/planners/morecalculators.htm).

Paying for the Life You'll Want

One retiree turns a passion for cooking into a small catering business. Another makes a first run for public office—and wins. Still another goes back to school full time. Twenty years ago, who ever imagined life-after-work could be like this?

While retirement holds all sorts of interesting possibilities, there is a catch. Where will the money come from to support two or three decades of doing what you really want to do? For most retirees, there are several sources.

Pensions and Social Security are still a major portion of many retirement incomes. But that may not be true for you. Certainly, the traditional company pension isn't as common—or as generous—as in years past. And Social Security, as you probably know, is plagued by a shrinking workforce and growing retirement population.

Employer Sponsored Salary Deferral Plans offer an excellent opportunity to save for retirement on a pretax basis. With substantially higher contribution limits in a 403(b) or 401(k), these types of programs are often the primary retirement savings vehicles. In addition, many plans offer an added incentive in the form of an employer match of all or a portion of employee contributions.

Personal savings and assets invested in Individual Retirement Accounts (IRAs) are two other potential sources of income. Outside of your company pension plan, an IRA can be one of the most powerful tools available to help save for your retirement. IRAs offer flexible investment options and tax-deferred growth, as well as tax-deductible contributions for some; and Roth IRAs offer tax-free distributions. They provide an unprecedented degree of personal control over, and access to, accumulated balances.

Social Security...How Much Can You Count On?

Here, in today's dollars, are what some typical employees can expect to receive in annual benefits from Social Security.²

Paul³
Age: 55
Current income: \$60,000
Full annual benefit:
\$19,764 at age 65



Alyson³
Age: 45
Current income: \$45,000
Full annual benefit:
\$16,212 at age 65



Vince³
Age: 35
Current income: \$30,000
Full annual benefit:
\$12,876 at age 65



2. Source of data: *Social Security Administration Benefit Estimates Calculator*, January 2010. All dollar figures show the estimated value of annual benefits in today's dollars. Estimates assume no future increases in prices or earnings.

3. The persons portrayed in this example are fictional. This material does not constitute a recommendation as to the suitability of any investment for any person or persons having circumstances similar to those portrayed, and a financial advisor should be consulted.

It's About Time

Compounding is the snowball effect that occurs when the earnings on your investments begin to generate their own earnings.

When it comes to saving for retirement, time really is money. The reason is *compounding*. Compounding is the snowball effect that occurs when the earnings on your investments begin to generate their own earnings. This process starts slowly, but builds momentum as the years go by. Over longer periods, it can have a huge impact on the growth of your money. That's why those who start saving sooner rather than later tend to have such a tremendous advantage.

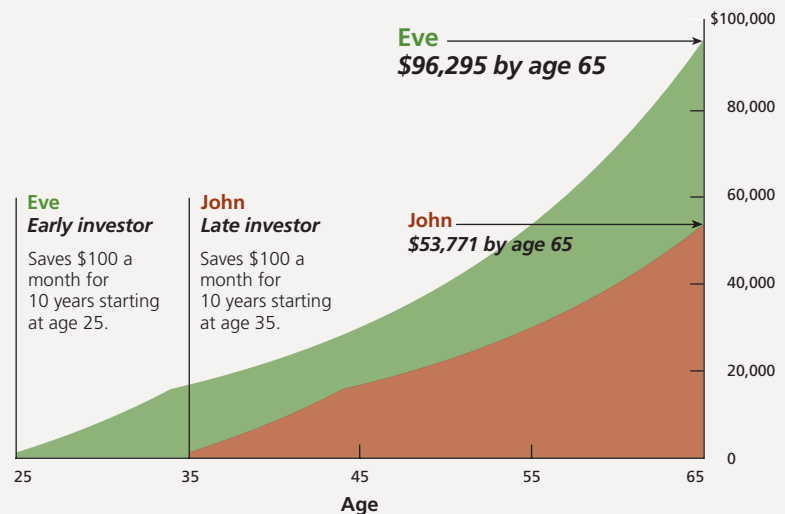
Compounding: The Value of an Early Start

Twenty-five-year-old Eve⁴ is an early bird. She puts \$100 a month into her retirement plan every year until she's 35. After contributing \$12,000 for those 10 years, though, she never adds another dime.

John,⁴ on the other hand, is a procrastinator. He doesn't tuck anything away until he's 35. He also saves \$100 a month for 10 years, and then doesn't add another dime, totaling \$12,000 in contributions.

At an annual return of 6%, who wins? Despite saving the same amount, Eve maintains a substantial edge—almost 45%—over John. Her extra 10 years of compounding substantially pays off in the long run.

Eve, the early investor, comes out \$42,524 ahead in 40 years.



This chart assumes a fixed annual rate of return of 6%, on a tax-deferred basis, with earnings reinvested.

This hypothetical example is not intended to show the performance of any Oppenheimer fund for any period of time, or fluctuation in principal value or investment return. At withdrawal, taxes must be paid on the amount withdrawn. Periodic investment plans do not ensure a profit or protect against loss in declining markets.

4. The persons portrayed in this example are fictional. This material does not constitute a recommendation as to the suitability of any investment for any person or persons having circumstances similar to those portrayed, and a financial advisor should be consulted.

Asset Classes: Your Tools of the Trade

Saving as much as you can is critical in having the kind of retirement you want. But it's not enough. Building the right investment strategy is also essential.

Once you've decided how much to save, the next question is where to invest the money. Finding the answer begins with a look at your options.

Investments are generally divided into three broad categories: cash equivalents, bonds and stocks.

Cash Equivalents

Cash equivalent securities may be a desirable investment because they carry a low level of risk and are easily liquidated. By the same token, they also offer relatively low rates of return. Money market funds, certificates of deposit (CDs) and Treasury bills all fit into this category.

How have they performed in the last 50 years? Cash equivalent investments have done better than inflation, but only by a very small margin.

Bonds

When you buy a bond—sometimes referred to as a fixed income investment—you're lending money to a company, the government or a government agency. In exchange, you receive a series of fixed interest payments and the promise that your loan will be repaid on a specific date.

Before that date, however, the market value of your bond may fluctuate considerably. Bond prices are particularly sensitive to changes in interest rates, generally moving in the opposite direction. For example, when interest rates rise, the price of a bond issued when interest rates were lower normally decreases. The reverse is also true: When interest rates fall, the price of a bond issued when interest rates were higher usually rises. Why? The bond market, like all other financial markets, is competitive. In a climbing interest rate environment, bonds with a lower rate are less attractive. To compensate for that fact, they must carry a lower price. When rates are dropping, the opposite occurs.

Stocks

Stocks—also known as equity investments—give you an ownership share, or equity stake, in a company. As an owner, you participate in that company's growth and future profits. Conversely, you also lose if the company suffers a loss or is unprofitable.

As anyone who follows the financial markets knows, stock prices can be highly volatile. While past performance is no guarantee of future results, stocks as a group have historically protected investors' purchasing power far better than either of the other two asset classes.

Once you've decided how much to save, the next question is where to invest the money.

The Major Asset Classes

	Chief Advantages	Biggest Risks
Cash Equivalents (money market funds, Treasury bills, CDs)	<ul style="list-style-type: none">■ Stability of principal■ Liquidity■ Income based on current market rates	<ul style="list-style-type: none">■ No inflation hedge■ Income volatility
Bonds	<ul style="list-style-type: none">■ Fixed payments■ Higher yields than cash equivalents	<ul style="list-style-type: none">■ Little inflation hedge■ Declining market value when interest rates rise
Stocks	<ul style="list-style-type: none">■ Potential growth of capital■ Possible dividends■ Good inflation hedge	<ul style="list-style-type: none">■ High price volatility■ Potential loss of principal

Managing Risk

How Dollar Cost Averaging Works

Amount invested	Price of each share	Number of shares purchased
\$200	\$10.00	20.00
200	12.00	16.67
200	9.50	21.05
200	13.00	15.38
200	11.00	18.18
Total amount invested	Average market price per share	Total shares purchased
\$1,000	\$11.10	91.28
Your average price per share		
\$10.96		

Thus, dollar cost averaging can be an effective way to make the market's volatility work for you, rather than against you. While it may not ensure a profit, nor protect against losses in declining markets, dollar cost averaging may lessen your chances of investing a large amount of money during a market peak. Overall, it's a smart, sensible way to help build your retirement portfolio.

Risk is a natural, necessary part of investing. In fact, the greatest risk to financial success is taking no risk at all. That's why smart investors don't eliminate risk—they control it. How?

Asset Allocation

Asset allocation involves maintaining a target mix of stocks, bonds and cash equivalent investments that reflects the best balance of risk and reward for your individual situation. Many financial experts agree that the way you allocate your money among these three asset classes—rather than how good you are at choosing individual securities—can have the biggest impact on your long-term returns and the volatility of your overall portfolio.⁵ The percentage of your money you place in each class depends, to a large degree, on what your objective is, how much risk you're willing to take and how much time you have. In this section, you'll find help in answering all three questions.

Diversification

Diversification is spreading your risk by investing in a variety of securities—not just across the three major categories, but within each group as well. Why invest in several kinds of stocks...or bonds? Even investments in the same asset class have different patterns of risk and return. And because they do, the poor performance of one can often be offset by the good or stable performance of others. Small company stocks are one example. When their prices are headed down, those of large company stocks might be on the rise. By owning both types of stocks, you are better able to balance your losses with gains, which, in turn, tends to reduce your portfolio's total risk.⁶

Dollar Cost Averaging

Through payroll-deducted contributions to your plan, you're already taking advantage of another risk-management technique called *dollar cost averaging*. Dollar cost averaging is simply the process of investing a specific amount of money in the same security at regular intervals. In doing so, you acquire more shares when prices are down and fewer when prices are up. Though dollar cost averaging doesn't guarantee you'll make a profit—or avoid a loss—it generally lowers your average cost per share while reducing your chances of investing too much at a market peak.⁷

5. Source of data: Original study: "Determinants of Portfolio Performance II: An Update," *Financial Analysts Journal*, May–June 1991, G. Brinson, B. Singer, G. Beebower; "Does Asset Allocation Policy Explain 40%, 90% or 100% of Performance?," *Financial Analysts Journal*, January–February 2000, R. Ibbotson, P. Kaplan.

6. Diversification does not guarantee a profit or protect against loss.

7. Since dollar cost averaging involves continuous investments regardless of price levels of fund shares, investors should consider their financial ability to continue purchases through periods of low price levels.

The Benefits of Mutual Funds

Mutual funds offer a variety of advantages that make them an ideal way to invest your retirement savings.

To begin with, because they pool the assets of many investors, mutual funds can invest in a wide range of individual securities. As a result, they provide a degree of diversification that individuals simply can't get on their own.

In addition, they're convenient: shares are easily bought and sold and assets can be quickly transferred from one investment to another in the same fund family (in retirement accounts, these fund exchanges won't be taxable at the time they're made). They also offer the benefit of professional management.

A Fund to Fit Every Investor Need⁸

Different mutual funds have objectives that range from growth to income to capital preservation. To try to achieve these goals, they may invest in one or all of the major asset classes, although one category is usually predominant.

Fund Diversification

Mutual funds can be used like individual securities to provide diversity across and within asset classes. Stock funds, for example, may be selected on the basis of company size (capitalization), industry, geographic area or even investment style (value or growth).

You might, for instance, balance a value fund with a growth fund. Value funds concentrate on promising but out-of-favor stocks, while growth funds zero in on the issues of expanding companies with outstanding earnings potential. Because they rarely perform in tandem, including both types in your portfolio can lower the total volatility of your stock holdings.⁹

Bond funds, like stock funds, vary in a number of critical ways. Investors can diversify bond funds based on the maturity of the bonds (short-, intermediate- or long-term, depending on the average holding period of the bonds in the fund), the issuer (government or corporation), and overall quality (from very safe to highly speculative).

To achieve the diversification your retirement portfolio needs, consider investing in four to eight different categories of funds. Of course, as always, it is prudent to discuss your investment strategy with your financial advisor.

Mutual funds provide a degree of diversification that individuals simply can't get on their own.

8. Conservative funds generally carry a lower level of risk but also tend to offer lower rates of return. Aggressive funds generally carry a higher level of risk but have the potential to offer a higher rate of return.

9. Diversification does not guarantee a profit or protect against loss.

OppenheimerFunds Investment Spectrum

EQUITY

GLOBAL EQUITY THEME-BASED INVESTING

Investing in companies that are well-positioned to gain from long-term global growth trends—without consideration of country or region.

DOMESTIC EQUITY Growth

HIGH QUALITY GROWTH FOCUS

Focus on high quality growth—companies with sustainable earnings, quality management and attractive valuations—to help balance potential long-term growth with downside protection.

Value

LONG-TERM EARNINGS FOCUS

Focusing on long-term earnings, a key driver of performance, the team seeks consistent results through stock selection rather than sector or macroeconomic factors.

Core

THE "MAIN STREET" PROCESS

Developed and refined over 30 years, the team employs sophisticated quantitative models to construct portfolios designed to deliver consistent results.

FIXED INCOME

GLOBAL DEBT EXPERIENCED AND INNOVATIVE ACTIVE MANAGEMENT

Seeking to generate competitive returns by actively managing global currency, credit and interest rate risk.

DOMESTIC DEBT BALANCING RISKS AND OPPORTUNITIES

Seeking to generate competitive returns while reducing overall volatility through actively investing across the U.S. corporate and government markets.

ASSET ALLOCATION

PORTFOLIO SOLUTIONS

PROFESSIONALLY MANAGED PORTFOLIOS

Diversified professionally allocated portfolios of Oppenheimer mutual funds—in one package.

ALTERNATIVE

POWERFUL PORTFOLIO DIVERSIFIERS

Access to low-correlated and non-correlated asset classes, managed by specialized portfolio teams.

Investor Profile

Before you consider investing in your retirement plan, it is important to consider your tolerance for risk and your time horizon—how long you expect to be invested before beginning to withdraw. Time can be used to help diminish the impact of risk, since, over time, the effects of short-term volatility may be less important than the potential for higher returns when investing for the long term.

How you allocate your investment dollars also has a lot to do with how you feel about risk. The following 11 questions can help you assess your tolerance for risk by helping you determine whether you are a conservative, moderate or aggressive investor. Of course, this questionnaire is not intended to provide investment advice, and consulting with your financial advisor is recommended.

Your Time Horizon

1 When do you expect to begin withdrawing money from your retirement account(s)?

- a Less than 1 year
- b 1–3 years
- c 4–6 years
- d 7–10 years
- e Greater than 10 years

2 For how many years do you expect to take withdrawals from your retirement account?

- a I plan to take a lump sum distribution, when I retire
- b 1–3 years
- c 4–6 years
- d 7–10 years
- e Greater than 10 years

Your Risk Tolerance

3 You must consider several risks when investing, including the chance that the value of your investment may decline. You cannot reduce this risk without assuming others, such as the risk of the portfolio growing slower than inflation. With these two risks in mind, which of the following is the most comfortable for you?

- a A high chance of short-term declines in value. Portfolio grows significantly faster than inflation.
- b A moderate chance of short-term declines in value. Portfolio grows moderately faster than inflation.
- c A low chance of short-term declines in value. Portfolio grows slightly faster than inflation.
- d A very low chance of short-term declines in value. Portfolio only grows fast enough to keep pace with inflation.

4 I am willing to lose larger sums of money in the short term if I can enjoy potentially higher returns in the long term.

- a Strongly agree
- b Agree
- c Disagree
- d Strongly disagree

5 Investments with the highest potential for gains generally carry the greatest risk of loss. The table below displays the best and worst possible outcomes of \$100,000 invested in four hypothetical portfolios over a five-year period. Check the portfolio with which you are most comfortable.

Possible Outcomes: \$100,000 Invested for Five Years

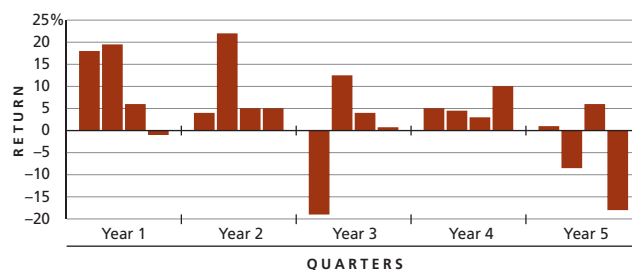
	Worst Case	Best Case
a Portfolio 1	\$ 90,000	\$300,000
b Portfolio 2	95,000	250,000
c Portfolio 3	100,000	200,000
d Portfolio 4	110,000	150,000

6 Investments with higher risk have a greater chance of short-term loss in any given year. Typically, the reward for higher risk is the potential for higher return over the long term. What is your focus, increasing returns or reducing risk?

- a Increasing returns
- b Primarily increasing returns while also reducing risk
- c Primarily reducing risk while also increasing returns
- d Reducing risk

7 The graph below shows the quarterly returns of a hypothetical investment over the past five years. If you owned this investment (given its historical and current returns) what action would you take today?

Hypothetical Performance: \$100,000 in Five Years



- a Sell all of the investment immediately and cut my losses.
- b Sell some of the investment to protect myself from further loss.
- c Continue to hold the investment with the expectation of higher returns.

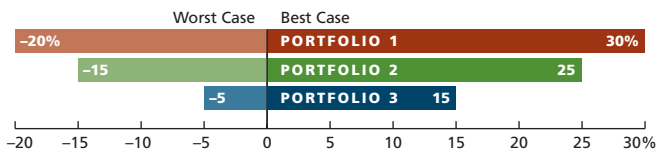
Hypothetical portfolio results do not predict or depict the results for any particular investment vehicle.

8 Investments that have a small chance of declining in value over the short term also tend to have lower long-term return possibilities. In order to improve your chances for long-term return, you have to take additional risks. With which investments are you most comfortable?

- a Highest potential long-term return with larger and more frequent interim losses.
- b Moderate potential long-term return with modest and frequent interim losses.
- c Lowest potential long-term return with smaller and less frequent losses.

9 Investments with the potentially highest returns also have the most risk. The graph below provides the best and worst case values for a \$100,000 investment in three hypothetical portfolios over a one-year period. With which portfolio are you most comfortable?

Hypothetical 1-Year Performance \$100,000 Investment



- a Portfolio 1
- b Portfolio 2
- c Portfolio 3

10 Assume that you invested \$100,000 in a portfolio expected to have high long-term returns and high short-term risks. The portfolio's value grew to \$120,000 in the first year. If the portfolio lost all of its previous gains and some principal in the next month, how would you react?

- a I would be concerned but would maintain the investment, knowing that there continues to be the potential for higher long-term returns.
- b I would be somewhat concerned and would shift to a slightly more conservative portfolio.
- c I would be very concerned and would shift to a much more conservative portfolio in an attempt to avoid further short-term losses.

11 Investments with the best chance of meeting your long-term goals tend to have the highest chance of losing large amounts of money in the short term. Which investment has the characteristics you favor most?

- a Best chance of meeting long-term goals. May have losses about **one** out of every **three** years.
- b Good chance of meeting long-term goals. May have losses about **one** out of every **four** years.
- c Worst chance of meeting long-term goals. May have losses about **one** out of every **10** years.

Questionnaire Scoring

Using your responses to the risk-tolerance questionnaire and the table below, please follow the steps below and calculate your asset allocation mix.

Step 1: Calculate Your Time Horizon

Sum the points for questions 1 and 2 using the table below:

	a	b	c	d	e	
1	0	2	5	8	14	
2	0	1	2	4	7	
	Total					

Step 2: Calculate Your Risk Tolerance Score

Sum the points for questions 3 through 11 using the table below:

	a	b	c	d	
3	13	9	5	0	
4	9	6	3	0	
5	11	7	3	0	
6	10	7	4	0	
7	0	5	13		
8	10	5	0		
9	13	6	0		
10	10	5	0		
11	11	5	0		
	Total				

Step 3: Determine Your Asset Allocation

The scoring grid below converts your time horizon and risk tolerance scores into a model portfolio. To use the scoring grid, find the time horizon score on the left (vertical) axis and the risk tolerance score on the top (horizontal) axis. The intersection of these two points is a model portfolio that may be appropriate for you. Then, please see "Your Asset Allocation Mix" on the next page. For example, let's say your Time Horizon was "9" and your Risk Tolerance score was "32." Then your asset allocation model would be "Intermediate-term Moderate." You would find a suggested portfolio mix in the center of the chart on the next page.

		Risk Tolerance Score		
		0-25	26-75	76-100
Time Horizon	0-3	Short-term Conservative	Short-term Conservative	Short-term Conservative
	4-5	Short-term Conservative	Short-term Moderate	Short-term Aggressive
	6-8	Intermediate-term Conservative	Intermediate-term Moderate	Intermediate-term Moderate
	9-10	Intermediate-term Conservative	Intermediate-term Moderate	Intermediate-term Aggressive
	10+	Long-term Conservative	Long-term Moderate	Long-term Aggressive

If your time horizon is less than five years you may want to consider a more conservative allocation than the allocations illustrated on the next page.

Your Asset Allocation Mix

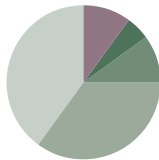
The following model portfolios were designed to guide you in structuring an investment mix appropriate for your own time frame and risk tolerance. They're based on your profile as a conservative, moderate or aggressive investor, which was determined by your answers to the previous quiz. You'll find a description of the asset classes in these allocations on page 7.

Once you've established your asset mix and your savings begin to grow, it's important to review your portfolio on an annual basis. This will give you a chance to rebalance your investments if they're out of line with your target percentages and make adjustments based on any relevant changes in your circumstances.

Short-term Time horizon 1–5 years

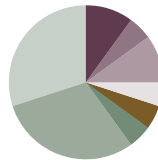
CONSERVATIVE

Domestic Equity	10%
Large-cap Growth . . .	10
Fixed Income	90%
International Bond . . .	5
High Yield Bond	10
Short- and Intmtd-term Bond . . .	35
Cash Equivalents	40



MODERATE

Global Equity	10%
International Equity . .	10
Domestic Equity	20%
Large-cap Growth	5
Large-cap Value	10
Small-cap Equity	5
Alternatives	5%
Real Assets	5
Fixed Income	65%
High Yield Bond	5
Short- and Intmtd-term Bond . . .	30
Cash Equivalents	30



AGGRESSIVE

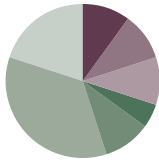
Global Equity	15%
International Equity . .	15
Domestic Equity	35%
Large-cap Growth	10
Large-cap Value	15
Mid-cap Equity	5
Small-cap Equity	5
Alternatives	5%
Real Assets	5
Fixed Income	45%
High Yield Bond	5
Short- and Intmtd-term Bond . . .	20
Cash Equivalents	20



Intermediate-term Time horizon 6–10 years

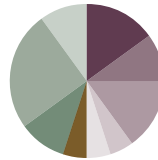
CONSERVATIVE

Global Equity	10%
International Equity . .	10
Domestic Equity	20%
Large-cap Growth	10
Large-cap Value	10
Fixed Income	70%
International Bond	5
High Yield Bond	10
Short- and Intmtd-term Bond . . .	35
Cash Equivalents	20



MODERATE

Global Equity	15%
International Equity . .	15
Domestic Equity	35%
Large-cap Growth	10
Large-cap Value	15
Mid-cap Equity	5
Small-cap Equity	5
Alternatives	5%
Real Assets	5
Fixed Income	45%
High Yield Bond	10
Short- and Intmtd-term Bond . . .	25
Cash Equivalents	10



AGGRESSIVE

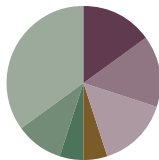
Global Equity	25%
International Equity . .	25
Domestic Equity	50%
Large-cap Growth	15
Large-cap Value	15
Mid-cap Equity	10
Small-cap Equity	10
Fixed Income	25%
Short- and Intmtd-term Bond . . .	25



Long-term Time horizon 10–15 years

CONSERVATIVE

Global Equity	15%
International Equity . .	15
Domestic Equity	30%
Large-cap Growth	15
Large-cap Value	15
Alternatives	5%
Real Assets	5
Fixed Income	50%
International Bond	5
High Yield Bond	10
Short- and Intmtd-term Bond . . .	35



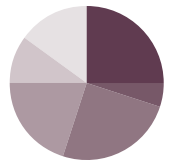
MODERATE

Global Equity	25%
International Equity . .	25
Domestic Equity	50%
Large-cap Growth	15
Large-cap Value	20
Mid-cap Equity	5
Small-cap Equity	10
Fixed Income	25%
High Yield Bond	10
Short- and Intmtd-term Bond . . .	15



AGGRESSIVE

Global Equity	30%
International Equity . .	25
Emerging Markets Equity	5
Domestic Equity	70%
Large-cap Growth	25
Large-cap Value	20
Mid-cap Equity	10
Small-cap Equity	15



The sample portfolios are not intended to represent investment advice that is appropriate for all investors. This material does not constitute a recommendation as to the suitability of any investment for any person or persons having circumstances similar to those portrayed. Each investor's portfolio must be constructed based on the individual's financial resources, investment goals, risk tolerance, investing time frame, tax situation and other relevant factors. Because each investor's financial needs, goals and risk tolerance are different, you should work with your financial advisor to determine whether any of these funds are appropriate for you. The categorization of sample portfolios as "Conservative," "Moderate" and "Aggressive" is relative. OppenheimerFunds does not recommend any specific asset allocations.

Rules to Invest By

If you're a frequent observer of today's financial markets, it can be difficult to keep your eye on the big picture. Yet the truth is, a secure retirement is a long-term goal. Sticking with some basic rules can help you keep this important fact in mind:

1. Maintain a systematic savings program. Programs such as OppenheimerFunds Asset Builder, which automatically invests money¹⁰ from your checking or savings account, and employer-sponsored salary deferral programs like 401(k)s and 403(b)s, as well as payroll deduction IRAs, all take advantage of dollar cost averaging.¹¹

2. Save as much as you can. Make sure your savings rate increases as your salary grows.

3. Diversify across and within the major asset classes. This will go a long way toward helping reduce your overall exposure to market risk.

4. Consider your time horizon. If you have a sufficiently long time horizon, consider making retirement stock funds a significant part of your long-term investment program. On the other hand, if you are nearing retirement, it may be prudent to invest more of your portfolio in bonds.

5. Review your portfolio annually. When necessary, rebalance it to stay in alignment with your target allocations and reflect any changes in your circumstances.

¹⁰ Such plans do not assure a profit or protect against losses in declining markets.

¹¹ Since such plans involve continuous investments regardless of price levels of fund shares, investors should consider their financial ability to continue purchases through periods of low price levels.

Keep in Mind...

These portfolios may be appropriate for a retirement plan investment, however, they are not a complete investment program. Diversification does not assure a profit or protect against loss.

In managing the portfolios, the manager will have the authority to select and substitute certain underlying Oppenheimer funds, as designated in the prospectus, and may be subject to potential conflicts of interest because the fees paid to it by some underlying funds are higher than the fees paid by others. However, the manager is obligated to act in each portfolio's best interests when selecting underlying funds. Each of the underlying funds in which the portfolios invest has its own investment risks, and those risks can affect the value of each portfolio's shares and investments. In addition, there is no guarantee that the underlying funds will achieve their investment objectives. The underlying funds may change their investment objectives or policies without the approval of the portfolio, and a portfolio may be forced to sell its shares of the underlying funds at a disadvantageous time. Foreign investments (especially those in emerging and developing markets) may be more volatile and involve additional expenses and special risks, including currency fluctuations, foreign taxes and political and economic factors. Technology, growth and small-cap stocks may be especially volatile. Value investing involves the risk that the market may not recognize that securities are undervalued and they may not appreciate as anticipated. Fixed income investing entails credit risks and interest rate risks. When interest rates rise, bond prices generally fall, and a fund's share price can fall. Below-investment-grade ("junk") bonds are more at risk of default than other bond investments and may be subject to liquidity risk. Derivative instruments, investments whose values depend on the performance of an underlying security, asset, interest rate, index or currency entail potentially higher volatility and risk of loss compared to traditional stock or bond investments.

Risks associated with LifeCycle Funds and Portfolio Series Funds (Conservative Investor Fund, Moderate Investor Fund and Active Allocation Fund): Because they do not have an active trading market, shares of Real Estate Investment Trusts (REITs) may be illiquid. The lack of an active trading market may make it difficult to value or sell shares of REITs promptly at an acceptable price. In addition, owning high concentrations of energy-related natural resources may significantly influence returns.

See the prospectus for additional risks of investing in a portfolio.

Preparing yourself financially for retirement can be a challenge, but with careful planning, disciplined saving and smart investing, success is within your reach. Inside this guide, you'll find a wealth of valuable information on each of these topics, plus worksheets and useful tips to help you and your financial advisor work toward your retirement savings goals.

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Before investing in any of the Oppenheimer funds, investors should carefully consider a fund's investment objectives, risks, charges and expenses. Fund prospectuses and, if available, summary prospectuses contain this and other information about the funds, and may be obtained by asking your financial advisor, visiting our website at oppenheimerfunds.com or calling us at 1.800.CALL OPP (225.5677). Read prospectuses and, if available, summary prospectuses carefully before investing.

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