

December 31, 2013

Oppenheimer

Global Strategic Income Fund/VA

A Series of Oppenheimer Variable Account Funds

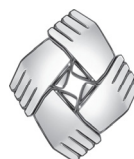
Annual Report

ANNUAL REPORT

Listing of Top Holdings

Fund Performance Discussion

Financial Statements



OPPENHEIMERFUNDS™
THE RIGHT WAY TO INVEST

Portfolio Managers: Arthur P. Steinmetz, Krishna Memani,
Sara J. Zervos, Ph.D. and Jack Brown, CFA¹

**Average Annual Total Returns
For the Periods Ended 12/31/13**

	1-Year	5-Year	10-Year
Non-Service Shares	-0.13%	9.33%	5.83%
Service Shares	-0.37%	9.05%	5.58%

Performance data quoted represents past performance, which does not guarantee future results. *The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance and expense ratios may be lower or higher than the data quoted. For performance data current to the most recent month end, call us at 1.800.988.8287. The Fund's total returns should not be expected to be the same as the returns of other funds, whether or not both funds have the same portfolio managers and/or similar names. The Fund's total returns include changes in share price and reinvested distributions but do not include the charges associated with the separate account products that offer this Fund. Such performance would have been lower if such charges were taken into account.*

PORTFOLIO ALLOCATION

Corporate Bonds and Notes	36.6%
Foreign Government Obligations	23.6
Mortgage-Backed Obligations	
Government Agency	4.7
Non-Agency	14.7
U.S. Government Obligations	7.2
Investment Companies	
iShares iBoxx \$ High Yield Corporate Bond Exchange Traded Fund	0.4
Oppenheimer Institutional Money Market Fund	1.3
Oppenheimer Master Event-Linked Bond Fund, LLC	2.7
Oppenheimer Master Loan Fund, LLC	0.6
Oppenheimer Ultra-Short Duration Fund	1.5
Asset-Backed Securities	2.9
Corporate Loans	2.4
Structured Securities	1.0
Over-the-Counter Swaptions Purchased	0.2
Common Stocks	0.1
Preferred Stocks	0.1
Over-the-Counter Options Purchased	—*

*Represents less than 0.005%.

Portfolio holdings and allocations are subject to change. Percentages are as of December 31, 2013, and are based on the total market value of investments.

CREDIT RATING BREAKDOWN	NRSRO ONLY TOTAL
AAA	15.1%
AA	1.7
A	12.0
BBB	25.8
BB	14.1
B	16.0
CCC	7.0
CC	0.6
C	0.0
D	1.4
Unrated	6.3
Total	100.0%

The percentages above are based on the market value of the Fund's securities as of December 31, 2013, and are subject to change. Except for securities labeled "Unrated," and except for certain securities issued or guaranteed by a foreign sovereign, all securities have been rated by at least one Nationally Recognized Statistical Rating Organization ("NRSRO"), such as Standard & Poor's ("S&P"). For securities rated only by an NRSRO other than S&P, OppenheimerFunds, Inc. (the "Sub-Adviser") converts that rating to the equivalent S&P rating. If two or more NRSROs have assigned a rating to a security, the highest S&P equivalent rating is used. Unrated securities issued or guaranteed by a foreign sovereign are assigned a credit rating equal to the highest NRSRO rating assigned to that foreign sovereign. For securities not rated by an NRSRO, the Sub-Adviser uses its own credit analysis to assign ratings in categories similar to those of S&P. The use of similar categories is not an indication that the Sub-Adviser's credit analysis process is consistent or comparable with any NRSRO's process were that NRSRO to rate the same security. Fund assets invested in Oppenheimer Institutional Money Market Fund are assigned that fund's S&P rating, which is currently AAA. For the purposes of this table, "investment-grade" securities are securities rated within the NRSROs' four highest rating categories (AAA, AA, A and BBB). Unrated securities do not necessarily indicate low credit quality, and may or may not be the equivalent of investment-grade. Please consult the Fund's prospectus and Statement of Additional Information for further information.

¹ Jack Brown became a portfolio manager on 4/30/2013.

Fund Performance Discussion

The Fund's Non-Service shares produced a total return of -0.13% during the one-year reporting period ended December 31, 2013. In comparison, the Fund's Reference Index, a customized weighted index currently comprised of the following underlying broad-based security indices: 40% Citigroup Non-U.S. World Government Bond Index, 30% JPMorgan Domestic High Yield Index, and 30% Barclays U.S. Aggregate Bond Index, returned -0.04%. Relative strength from the Fund's investments in high yield bonds was balanced primarily by shortfalls among emerging markets bonds, as economic slowdowns in developing nations produced selling pressure in local fixed-income markets.

MARKET OVERVIEW

Accommodative monetary policies on the part of central banks in the U.S., Europe and Japan, combined with an improving economic outlook, resulted in a rally among risk equities and higher-yielding bonds over the first four months of 2013. Higher-yielding bonds generally rallied in response to an improving economic outlook. U.S. high yield bonds fared particularly well, as investors reached for higher yields in the low interest rate environment, corporate issuers continued to report strong earnings, and default rates remained low. At the same time, yields of U.S. government securities remained near historical lows due to the Fed's massive bond buying program. In international markets, sovereign bonds from Europe gained value as it became clearer that the worst of the region's debt and banking crises were likely behind it. The improved economic outlook also buoyed corporate bonds in emerging markets, such as Russia and China. U.S. dollar-denominated securities outperformed their local currency-denominated counterparts as governments in Japan and Europe took steps to reduce the value of the yen and euro, respectively, relative to the U.S. dollar.

These developments drove financial markets higher through the spring of 2013. At that time, economic data appeared to confirm that the United States, Europe and Japan had engineered a sustained economic rebound, but investors responded negatively to disappointing economic data from China, India, Brazil, and other emerging markets. The ensuing "flight to quality" toward traditional safe havens produced sharp dislocations in emerging market equity, fixed-income and currency markets. In late May, relatively hawkish remarks by Fed chairman Ben Bernanke were widely interpreted as a signal that U.S. monetary policymakers would begin to back away from their quantitative easing program sooner than expected, sparking heightened volatility in financial markets throughout the world. However, market conditions generally stabilized over the summer of 2013. In October, the U.S. Congress managed to reach a bipartisan agreement to raise the national debt ceiling, and did so well ahead of the potential default deadline. While the Fed unexpectedly refrained from reducing its monthly bond purchases in September, in December the Central Bank announced that it would reduce its monthly bond purchases by \$10 billion, from \$85 billion to \$75 billion, starting in January 2014. The Fed also announced that it would continue to hold short-term interest rates at very low levels until unemployment in the United States subsided below 6.5%. This was lower than its earlier 7% target. Despite the reduction in monthly bond purchases, the markets continued to rally through the end of the year.

FUND REVIEW

The Fund generally maintained a constructive investment posture throughout the reporting period, maintaining an overweight position in credit risk through investments in international bonds and high yield securities. The Fund generally maintained underweight exposure to U.S. government securities and foreign currencies.

As it has for some time, the Fund's international portfolio had a large allocation to emerging markets. This positioning hurt the Fund's relative performance when interest rates in the emerging markets climbed amid selling pressure from newly risk-averse investors. Although we had reduced the Fund's holdings of Brazilian debt securities over the reporting period's first half, even a small position proved counterproductive over the second half when local economic and fiscal concerns intensified. Bonds from Mexico and South Africa detracted from relative results to a lesser extent.

In contrast, underweight exposure to foreign currencies contributed positively to the Fund's results. The Fund maintained no exposure to the euro and yen over the reporting period's second half, avoiding the brunt of their weakness. In addition, the Fund benefited from positions in non-sovereign European debt, including corporate securities, asset-backed securities, and bank loans.

In the Fund's investment grade U.S. bond portfolio, we remained significantly underweight government bonds and favored mortgage-backed securities and structured products. This positioning was beneficial during the period. While our investments in mortgage-backed securities contributed positively to performance in 2013, we reduced our mortgage exposure during the period due to our belief there is limited potential for further price appreciation and our expectations for interest rates to rise slowly over time. We used those proceeds to add a position in senior loans.

The Fund's high yield portfolio benefited from overweight exposure and an emphasis on securities with credit ratings toward the lower end of the market's quality spectrum. Bonds backed by wireless telecommunications carriers and broadcasters bolstered results early in the year. The Fund also benefited from positions in senior floating-rate bank loans at times during the reporting period.

STRATEGY & OUTLOOK

We believe the global economy is likely to perform better in 2014. The U.S. economy is strengthening, and as it does, we expect rates to climb slowly higher over time. We also believe the U.S. dollar has the potential to strengthen. Consequently, we have an overweight at period end to credit. While we did reduce our position in emerging markets debt, the Fund still has a large position in the asset class. The relative spreads between emerging markets and U.S. high yield bonds indicate to us that emerging markets may be a good place to generate attractive returns. We are also positive on European credit and have increased our exposure. As mentioned earlier, we also reduced our position in mortgages this period.

Additionally, we have reduced the Fund's duration in preparation for the next phase of the interest-rate cycle. We expect rates to continue rising for several years, and as a result, we expect to be short duration for quite some time.

Investors should consider the Fund's investment objective, risks, charges and expenses carefully before investing. The Fund's prospectus and summary prospectus contain this and other information about the Fund, and may be obtained by asking your financial advisor or calling us at 1.800.988.8287. Read prospectuses and summary prospectuses carefully before investing.

Total returns include changes in share price and reinvestment of dividends and capital gains distributions in a hypothetical investment for the periods shown.

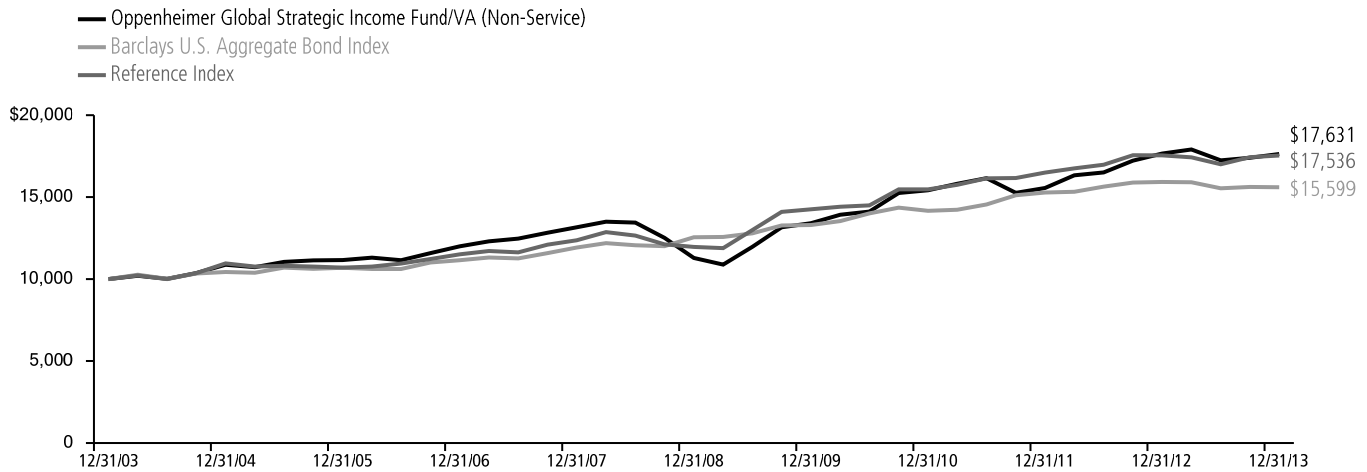
The Fund's investment strategy and focus can change over time. The mention of specific fund holdings does not constitute a recommendation by OppenheimerFunds, Inc. or its affiliates.

Shares of Oppenheimer funds are not deposits or obligations of any bank, are not guaranteed by any bank, are not insured by the FDIC or any other agency, and involve investment risks, including the possible loss of the principal amount invested.

Comparing the Fund's Performance to the Market. The graphs that follow show the performance of a hypothetical \$10,000 investment in each share class of the Fund held until December 31, 2013. Performance is measured over a ten-fiscal-year period for both Classes. Performance information does not reflect charges that apply to separate accounts investing in the Fund. If these charges were taken into account, performance would be lower. The graphs assume that all dividends and capital gains distributions were reinvested in additional shares.

The Fund's performance is compared to the performance of the Barclays U.S. Aggregate Bond Index, the Citigroup World Government Bond Index, the Citigroup Non-U.S. World Government Bond Index, JPMorgan Domestic High Yield Index and its Reference Index. The Barclays U.S. Aggregate Bond Index is an index of U.S. dollar-denominated, investment-grade U.S. corporate government and mortgage-backed securities. The Citigroup World Government Bond Index is an index of debt securities of major foreign government bond markets. The Citigroup Non-U.S. World Government Bond Index is an index of fixed rate government bonds with a maturity of one year or longer and amounts outstanding of at least U.S. \$25 million. The JPMorgan Domestic High Yield Index is an unmanaged index of high yield fixed income securities issued by developed countries. The Fund's Reference Index is a customized weighted index currently comprised of the following underlying broad-based security indices: 40% Citigroup Non-U.S. World Government Bond Index, 30% JPMorgan Domestic High Yield Index, and 30% Barclays U.S. Aggregate Bond Index. The indices are unmanaged and cannot be purchased directly by investors. Index performance includes reinvestment of income, but does not reflect transaction costs, fees, expenses or taxes. Index performance is shown for illustrative purposes only as a benchmark for the Fund's performance, and does not predict or depict performance of the Fund. The Fund's performance reflects the effects of the Fund's business and operating expenses.

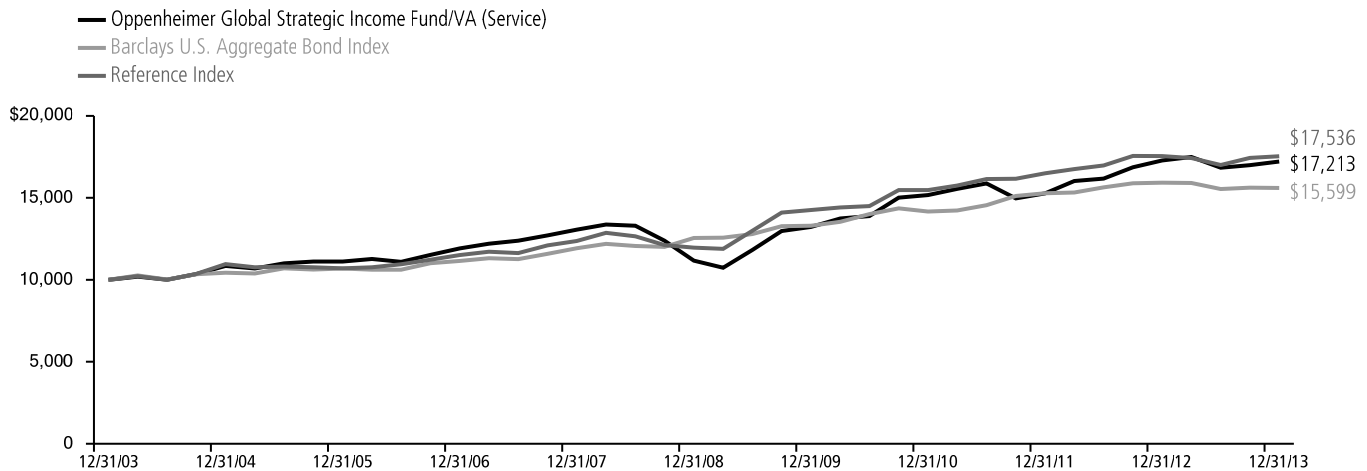
COMPARISON OF CHANGE IN VALUE OF \$10,000 HYPOTHETICAL INVESTMENTS IN:



Average Annual Total Returns of Non-Service Shares of the Fund at 12/31/13

1-Year -0.13% 5-Year 9.33% 10-Year 5.83%

COMPARISON OF CHANGE IN VALUE OF \$10,000 HYPOTHETICAL INVESTMENTS IN:



Average Annual Total Returns of Service Shares of the Fund at 12/31/13

1-Year -0.37% 5-Year 9.05% 10-Year 5.58%

Performance data quoted represents past performance, which does not guarantee future results. *The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted. For performance data current to the most recent month end, call us at 1.800.988.8287. The Fund's total returns should not be expected to be the same as the returns of other funds, whether or not both funds have the same portfolio managers and/or similar names. The Fund's total returns include changes in share price and reinvested distributions but do not include the charges associated with the separate account products that offer this Fund. Such performance would have been lower if such charges were taken into account.*

Fund Expenses

Fund Expenses. As a shareholder of the Fund, you incur two types of costs: (1) transaction costs and (2) ongoing costs, including management fees; distribution and service fees; and other Fund expenses. These examples are intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The examples are based on an investment of \$1,000.00 invested at the beginning of the period and held for the entire 6-month period ended December 31, 2013.

Actual Expenses. The first section of the table provides information about actual account values and actual expenses. You may use the information in this section for the class of shares you hold, together with the amount you invested, to estimate the expense that you paid over the period. Simply divide your account value by \$1,000.00 (for example, an \$8,600.00 account value divided by \$1,000.00 = 8.60), then multiply the result by the number in the first section under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes.

The second section of the table provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio for each class of shares, and an assumed rate of return of 5% per year for each class before expenses, which is not the actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any charges associated with the separate accounts that offer this Fund. Therefore, the "hypothetical" lines of the table are useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these separate account charges were included your costs would have been higher.

	Beginning Account Value July 1, 2013	Ending Account Value December 31, 2013	Expenses Paid During 6 Months Ended December 31, 2013
Actual			
Non-Service shares	\$ 1,000.00	\$ 1,022.80	\$ 3.73
Service shares	1,000.00	1,022.30	5.01
Hypothetical (5% return before expenses)			
Non-Service shares	1,000.00	1,021.53	3.73
Service shares	1,000.00	1,020.27	5.00

Expenses are equal to the Fund's annualized expense ratio for that class, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period). Those annualized expense ratios, excluding indirect expenses from affiliated funds, based on the 6-month period ended December 31, 2013 are as follows:

Class	Expense Ratios
Non-Service shares	0.73%
Service shares	0.98

The expense ratios reflect contractual waivers and/or reimbursements of expenses by the Fund's Manager. Some of these undertakings may be modified or terminated at any time, unless approved by the Board of Trustees. The "Financial Highlights" tables in the Fund's financial statements, included in this report, also show the gross expense ratios, without such waivers or reimbursements and reduction to custodian expenses, if applicable.

CONSOLIDATED STATEMENT OF INVESTMENTS

December 31, 2013

	Principal Amount	Value
Asset-Backed Securities—3.0%		
American Credit Acceptance Receivables Trust:		
Series 2012-2, Cl. D, 5.91%, 7/15/19 ¹	\$ 2,100,000	\$ 2,139,603
Series 2012-3, Cl. C, 2.78%, 9/17/18 ¹	230,000	231,717
Series 2013-2, Cl. C, 3.96%, 5/15/19 ¹	2,051,000	2,056,382
AmeriCredit Automobile Receivables Trust:		
Series 2012-3, Cl. D, 3.03%, 7/9/18	2,625,000	2,681,220
Series 2012-3, Cl. E, 4.46%, 11/8/19 ¹	360,000	374,876
Series 2012-4, Cl. D, 2.68%, 10/9/18	1,190,000	1,201,055
Series 2013-1, Cl. D, 2.09%, 2/8/19	425,000	422,385
Series 2013-1, Cl. E, 2.64%, 7/8/20 ¹	2,385,000	2,341,644
Series 2013-2, Cl. D, 2.42%, 5/8/19	675,000	670,469
Series 2013-2, Cl. E, 3.41%, 10/8/20 ¹	1,055,000	1,070,229
Series 2013-3, Cl. D, 3.00%, 7/8/19	440,000	442,608
Series 2013-3, Cl. E, 3.74%, 12/8/20 ¹	1,995,000	2,006,709
Series 2013-5, Cl. D, 2.86%, 12/8/19	220,000	219,488
Axius Europe CLO SA, Series 2007-1X, Cl. E, 4.82%, 11/15/23 ²		
	212,712	275,113
California Republic Auto Receivables Trust, Series 2013-2, Cl. C, 3.32%, 8/17/20		
	365,000	361,775
Capital Auto Receivables Asset Trust:		
Series 2013-1, Cl. D, 2.19%, 9/20/21	275,000	269,758
Series 2013-4, Cl. D, 3.22%, 5/20/19	170,000	168,578
CPS Auto Receivables Trust, Series 2012-C, Cl. A, 1.82%, 12/16/19 ¹		
	143,438	142,842
Credit Acceptance Auto Loan Trust, Series 2012-2A, Cl. B, 2.21%, 9/15/20 ¹		
	100,000	100,560
DT Auto Owner Trust:		
Series 2012-2A, Cl. D, 4.35%, 3/15/19 ¹	605,000	623,998
Series 2013-1A, Cl. D, 3.74%, 5/15/20 ¹	7,285,000	7,301,723
Series 2013-2A, Cl. D, 4.18%, 6/15/20 ¹	675,000	678,088
Exeter Automobile Receivables Trust:		
Series 2012-2A, Cl. B, 2.22%, 12/15/17 ¹	875,000	872,814
Series 2012-2A, Cl. C, 3.06%, 7/16/18 ¹	1,100,000	1,093,733
Series 2013-2A, Cl. C, 4.35%, 1/15/19 ¹	635,000	639,838
First Investors Auto Owner Trust:		
Series 2012-1A, Cl. D, 5.65%, 4/15/18 ¹	285,000	299,721
Series 2013-3A, Cl. C, 2.91%, 1/15/20 ¹	265,000	263,312
Series 2013-3A, Cl. D, 3.67%, 5/15/20 ¹	195,000	193,678
Halcyon Structured Asset Management European CLO BV, Series 2006-IIX, Cl. E, 4.19%, 1/25/23 ²		
	1,405,000	1,733,967
Harvest CLO IA SA:		
Series I-X, Cl. C, 2.137%, 3/29/17 ²	235,000	320,891
Series I-X, Cl. D, 3.237%, 3/29/17 ²	595,000	798,417
Series I-X, Cl. E, 7.837%, 3/29/17 ²	595,000	798,363
Highlander Euro CDO II Cayman Ltd., Series 2006-2CX, Cl. E, 3.894%, 12/14/22 ²		
	1,418,411	1,804,570
ICE EM CLO:		
Series 2007-1A, Cl. B, 2.096%, 8/15/22 ^{2,3}	7,870,000	7,181,375
Series 2007-1A, Cl. C, 3.396%, 8/15/22 ^{2,3}	5,270,000	4,439,975
Series 2007-1A, Cl. D, 5.396%, 8/15/22 ^{2,3}	5,270,000	4,584,900
Santander Drive Auto Receivables Trust:		
Series 2012-3, Cl. D, 3.64%, 5/15/18	880,000	923,625
Series 2012-5, Cl. D, 3.30%, 9/17/18	3,160,000	3,255,685
Series 2012-AA, Cl. D, 2.46%, 12/17/18 ¹	825,000	823,921
Series 2013-1, Cl. D, 2.27%, 1/15/19	920,000	910,384
Series 2013-2, Cl. D, 2.57%, 3/15/19	1,110,000	1,105,619
Series 2013-3, Cl. D, 2.42%, 4/15/19	950,000	940,171
Series 2013-4, Cl. D, 3.92%, 1/15/20	1,695,000	1,759,212
Series 2013-5, Cl. D, 2.73%, 10/15/19	520,000	515,722
Series 2013-A, Cl. C, 3.12%, 8/15/17 ¹	1,195,000	1,226,598
SLM Private Credit Student Loan Trust, Series 2005-B, Cl. B, 0.643%, 6/15/39 ²		
	1,979,802	1,669,731
SNAAC Auto Receivables Trust:		
Series 2012-1A, Cl. C, 4.38%, 6/15/17 ¹	50,000	51,150
Series 2013-1A, Cl. B, 2.09%, 7/16/18 ¹	200,000	199,540
Series 2013-1A, Cl. C, 3.07%, 8/15/18 ¹	220,000	218,758
Stichting Halcyon Structured Asset Management European, Series 2007-IX, Cl. E, 4.134%, 7/24/23 ²		
	706,933	896,018

	Principal Amount	Value
Asset-Backed Securities Continued		
Theseus European CLO SA, Series 2006-1X, Cl. E, 4.343%, 8/27/22 ²		
	\$ 1,490,000	\$ 1,947,685
United Auto Credit Securitization Trust:		
Series 2012-1, Cl. B, 1.87%, 9/15/15 ¹	335,000	334,978
Series 2012-1, Cl. C, 2.52%, 3/15/16 ¹	2,665,000	2,664,286
Series 2012-1, Cl. D, 3.12%, 3/15/18 ¹	1,690,000	1,689,538
Series 2013-1, Cl. B, 1.74%, 4/15/16 ¹	360,000	359,637
Series 2013-1, Cl. C, 2.22%, 12/15/17 ¹	230,000	229,675
Series 2013-1, Cl. D, 2.90%, 12/15/17 ¹	440,000	439,135
Total Asset-Backed Securities (Cost \$73,095,539)		72,967,442
Mortgage-Backed Obligations—19.6%		
Government Agency—4.7%		
FHLMC/FNMA/FHLB/Sponsored—4.6%		
Federal Home Loan Mortgage Corp. Gold Pool:		
5.00%, 9/1/33	666,856	723,338
5.50%, 9/1/39	802,713	886,060
6.00%, 5/1/18-11/1/21	220,793	240,893
6.50%, 3/1/18-8/1/32	896,984	1,000,060
7.00%, 10/1/31-10/1/37	185,512	209,265
7.50%, 1/1/32	485,061	574,644
Federal Home Loan Mortgage Corp., Interest-Only Stripped Mtg.-Backed Security:		
Series 192, Cl. IO, 15.738%, 2/1/28 ⁴	12,597	2,238
Series 205, Cl. IO, 18.403%, 9/1/29 ⁴	73,229	14,555
Series 243, Cl. 6, 4.659%, 12/15/32 ⁴	180,975	27,866
Federal Home Loan Mortgage Corp., Mtg.- Linked Amortizing Global Debt Securities, Series 2012-1, Cl. A10, 2.06%, 1/15/22		
	749,730	756,949
Federal Home Loan Mortgage Corp., Real Estate Mtg. Investment Conduit Multiclass Pass-Through Certificates:		
Series 1360, Cl. PZ, 7.50%, 9/15/22	523,619	592,685
Series 151, Cl. F, 9.00%, 5/15/21	12,498	13,907
Series 1674, Cl. Z, 6.75%, 2/15/24	366,812	412,352
Series 1897, Cl. K, 7.00%, 9/15/26	930,563	1,057,852
Series 2043, Cl. ZP, 6.50%, 4/15/28	359,907	408,199
Series 2106, Cl. FG, 0.617%, 12/15/28 ²	630,572	633,258
Series 2122, Cl. F, 0.617%, 2/15/29 ²	16,582	16,654
Series 2136, Cl. SG, 70.643%, 3/15/29 ⁴	931,381	162,238
Series 2148, Cl. ZA, 6.00%, 4/15/29	438,361	487,912
Series 2195, Cl. LH, 6.50%, 10/15/29	268,287	301,988
Series 2326, Cl. ZP, 6.50%, 6/15/31	34,693	39,243
Series 2344, Cl. FP, 1.117%, 8/15/31 ²	176,823	180,484
Series 2368, Cl. PR, 6.50%, 10/15/31	139,097	157,409
Series 2399, Cl. SG, 61.962%, 12/15/26 ⁴	504,772	89,883
Series 2412, Cl. GF, 1.117%, 2/15/32 ²	288,606	294,582
Series 2437, Cl. SB, 71.52%, 4/15/32 ⁴	1,640,948	306,203
Series 2449, Cl. FL, 0.717%, 1/15/32 ²	198,691	200,374
Series 2451, Cl. FD, 1.167%, 3/15/32 ²	107,385	109,782
Series 2453, Cl. BD, 6.00%, 5/15/17	35,661	37,875
Series 2461, Cl. PZ, 6.50%, 6/1/32	499,544	564,031
Series 2464, Cl. FI, 1.167%, 2/15/32 ²	89,611	91,463
Series 2470, Cl. AF, 1.167%, 3/15/32 ²	184,246	188,359
Series 2470, Cl. LF, 1.167%, 2/15/32 ²	91,704	93,599
Series 2471, Cl. FD, 1.167%, 3/15/32 ²	138,247	141,117
Series 2477, Cl. FZ, 0.717%, 6/15/31 ²	381,253	384,455
Series 2500, Cl. FD, 0.667%, 3/15/32 ²	16,191	16,289
Series 2517, Cl. GF, 1.167%, 2/15/32 ²	79,732	81,380
Series 2526, Cl. FE, 0.567%, 6/15/29 ²	27,275	27,330
Series 2551, Cl. FD, 0.567%, 1/15/33 ²	12,075	12,102
Series 2668, Cl. AZ, 4.00%, 9/15/18	71,869	75,629
Series 2676, Cl. KY, 5.00%, 9/15/23	1,591,604	1,749,327
Series 2707, Cl. QE, 4.50%, 11/15/18	244,748	260,309
Series 3025, Cl. SJ, 24.139%, 8/15/35 ²	236,832	363,743
Series 3465, Cl. HA, 4.00%, 7/15/17	33,301	34,092
Series 3617, Cl. DC, 4.00%, 7/15/27	95,205	96,957
Series 3815, Cl. BD, 3.00%, 10/15/20	42,804	44,267
Series 3822, Cl. JA, 5.00%, 6/1/40	56,045	59,007
Series 3840, Cl. CA, 2.00%, 9/15/18	31,673	32,330
Series 3848, Cl. WL, 4.00%, 4/1/40	438,445	454,103

CONSOLIDATED STATEMENT OF INVESTMENTS

Continued

	Principal Amount	Value
FHLMC/FNMA/FHLB/Sponsored Continued		
Federal Home Loan Mortgage Corp., Real Estate Mtg. Investment Conduit Multiclass		
Pass-Through Certificates: Continued		
Series 3917, Cl. BA, 4.00%, 6/15/38	\$ 365,624	\$ 383,475
Series 4221, Cl. HJ, 1.50%, 7/15/23	464,977	462,783
Federal Home Loan Mortgage Corp., Real Estate Mtg. Investment Conduit Multiclass		
Pass-Through Certificates, Interest-Only Stripped Mtg.-Backed Security:		
Series 2074, Cl. S, 56.928%, 7/17/28 ⁴	19,600	3,617
Series 2079, Cl. S, 64.602%, 7/17/28 ⁴	36,014	6,764
Series 2526, Cl. SE, 34.325%, 6/15/29 ⁴	34,243	6,430
Series 2682, Cl. TQ, 99.999%, 10/15/33 ⁴	342,818	68,552
Series 2795, Cl. SH, 14.324%, 3/15/24 ⁴	766,200	93,991
Series 2802, Cl. AS, 0.00%, 4/15/33 ^{4,6}	28,380	381
Series 2920, Cl. S, 52.588%, 1/15/35 ⁴	336,450	53,886
Series 2922, Cl. SE, 6.586%, 2/15/35 ⁴	58,209	9,397
Series 2981, Cl. BS, 99.999%, 5/15/35 ⁴	619,713	119,142
Series 3201, Cl. SG, 6.325%, 8/15/36 ⁴	307,853	54,084
Series 3397, Cl. GS, 11.573%, 12/15/37 ⁴	247,132	44,179
Series 3424, Cl. EI, 0.00%, 4/15/38 ^{4,5}	169,868	19,524
Series 3450, Cl. BI, 10.902%, 5/15/38 ⁴	401,202	60,515
Series 3606, Cl. SN, 4.259%, 12/15/39 ⁴	124,122	20,722
Series 3659, Cl. IE, 0.00%, 3/15/19 ^{4,5}	680,581	56,701
Series 3685, Cl. EI, 0.00%, 3/15/19 ^{4,5}	553,513	41,067
Federal National Mortgage Assn.:		
2.50%, 1/1/29 ⁷	7,120,000	7,048,800
3.00%, 1/1/29 ⁷	4,245,000	4,333,382
3.50%, 1/1/29-1/1/44 ⁷	23,945,000	23,915,086
4.00%, 1/1/29-1/1/44 ⁷	28,205,000	29,106,886
4.50%, 1/1/29-1/1/44 ⁷	18,070,000	19,162,703
5.00%, 1/1/44	18,837	20,091
5.00%, 1/1/44 ⁷	2,435,000	2,644,829
6.00%, 1/1/44 ⁷	4,305,000	4,775,524
Federal National Mortgage Assn. Pool:		
2.563%, 10/1/36 ²	2,875,087	3,051,229
3.50%, 2/1/22	421,472	443,206
5.00%, 2/1/18-7/1/33	2,717,933	2,916,519
5.50%, 4/1/21-5/1/36	480,522	528,667
6.00%, 10/1/16-1/1/19	168,629	176,897
6.50%, 4/1/17-1/1/34	1,196,816	1,343,263
7.00%, 11/1/17-6/1/34	1,381,986	1,578,921
7.50%, 2/1/27-3/1/33	1,605,265	1,841,584
8.50%, 7/1/32	2,249	2,611
Federal National Mortgage Assn., Interest-Only Stripped Mtg.-Backed Security:		
Series 214, Cl. 2, 47.177%, 3/1/23 ⁴	214,883	48,850
Series 221, Cl. 2, 50.611%, 5/1/23 ⁴	26,428	6,072
Series 254, Cl. 2, 39.966%, 1/1/24 ⁴	427,885	101,445
Series 301, Cl. 2, 5.366%, 4/1/29 ^{4,5}	80,280	18,827
Series 302, Cl. 2, 6.00%, 5/1/29 ⁴	187	37
Series 313, Cl. 2, 20.39%, 6/1/31 ⁴	776,050	141,040
Series 319, Cl. 2, 22.896%, 2/1/32 ^{4,5}	377,718	72,180
Series 321, Cl. 2, 9.975%, 4/1/32 ⁴	111,678	20,917
Series 324, Cl. 2, 3.973%, 7/1/32 ^{4,5}	113,329	27,622
Series 328, Cl. 2, 4.371%, 12/1/32 ⁴	242,162	37,646
Series 331, Cl. 5, 4.06%, 2/1/33 ^{4,5}	441,441	88,430
Series 332, Cl. 2, 7.488%, 3/1/33 ⁴	1,892,361	378,677
Series 334, Cl. 12, 2.413%, 3/1/33 ^{4,5}	368,388	71,392
Series 339, Cl. 15, 4.812%, 8/1/33 ^{4,5}	1,136,755	242,072
Series 345, Cl. 9, 0.00%, 1/1/34 ^{4,6}	302,040	60,741
Series 351, Cl. 10, 3.358%, 4/1/34 ^{4,5}	218,959	41,071
Series 351, Cl. 8, 3.048%, 4/1/34 ^{4,5}	370,893	70,035
Series 356, Cl. 10, 1.943%, 6/1/35 ^{4,5}	274,980	51,931
Series 356, Cl. 12, 1.68%, 2/1/35 ^{4,5}	135,302	25,460
Series 362, Cl. 13, 3.604%, 8/1/35 ^{4,5}	174,304	33,088
Federal National Mortgage Assn., Real Estate Mtg. Investment Conduit Multiclass		
Pass-Through Certificates:		
Series 1999-54, Cl. LH, 6.50%, 11/25/29	241,967	269,525
Series 2001-51, Cl. OD, 6.50%, 10/25/31	135,909	151,030
Series 2001-69, Cl. PF, 1.165%, 12/25/31 ²	209,260	213,589
Series 2001-80, Cl. ZB, 6.00%, 1/25/32	244,137	268,461
Series 2002-12, Cl. PG, 6.00%, 3/25/17	114,551	121,057
Series 2002-29, Cl. F, 1.165%, 4/25/32 ²	95,527	97,532
Series 2002-60, Cl. FH, 1.165%, 8/25/32 ²	190,685	194,739

	Principal Amount	Value
FHLMC/FNMA/FHLB/Sponsored Continued		
Federal National Mortgage Assn., Real Estate Mtg. Investment Conduit Multiclass		
Pass-Through Certificates: Continued		
Series 2002-64, Cl. FJ, 1.165%, 4/25/32 ²	\$ 29,416	\$ 30,033
Series 2002-68, Cl. FH, 0.665%, 10/18/32 ²	64,805	65,223
Series 2002-84, Cl. FB, 1.165%, 12/25/32 ²	428,386	437,430
Series 2002-9, Cl. PC, 6.00%, 3/25/17	114,465	120,906
Series 2002-9, Cl. PR, 6.00%, 3/25/17	140,157	148,044
Series 2002-90, Cl. FH, 0.665%, 9/25/32 ²	239,682	241,286
Series 2003-11, Cl. FA, 1.165%, 9/25/32 ²	428,396	437,441
Series 2003-112, Cl. AN, 4.00%, 11/25/18	153,073	161,334
Series 2003-116, Cl. FA, 0.565%, 11/25/33 ²	42,164	42,245
Series 2003-119, Cl. FK, 0.665%, 5/25/18 ²	883,787	886,664
Series 2003-13, Cl. IO, 14.851%, 3/25/33 ⁴	311,995	73,677
Series 2003-84, Cl. GE, 4.50%, 9/25/18	66,022	70,030
Series 2004-101, Cl. BG, 5.00%, 1/25/20	491,652	516,043
Series 2004-25, Cl. PC, 5.50%, 1/25/34	133,000	142,675
Series 2005-109, Cl. AH, 5.50%, 12/25/25	1,974,107	2,183,241
Series 2005-31, Cl. PB, 5.50%, 4/25/35	560,000	619,105
Series 2005-71, Cl. DB, 4.50%, 8/25/25	294,246	319,496
Series 2006-11, Cl. PS, 23.963%, 3/25/36 ²	194,823	299,762
Series 2006-46, Cl. SW, 23.596%, 6/25/36 ²	350,604	540,774
Series 2006-90, Cl. SX, 99.999%, 9/25/36 ⁴	928,466	196,267
Series 2007-109, Cl. NF, 0.715%, 12/25/37 ²	474,764	479,224
Series 2008-14, Cl. BA, 4.25%, 3/25/23	273,710	289,399
Series 2009-114, Cl. AC, 2.50%, 12/25/23	129,710	132,747
Series 2009-36, Cl. FA, 1.105%, 6/25/37 ²	129,967	131,238
Series 2009-70, Cl. NT, 4.00%, 8/25/19	28,291	29,734
Series 2009-70, Cl. TL, 4.00%, 8/25/19	825,487	867,589
Series 2010-43, Cl. KG, 3.00%, 1/25/21	293,485	305,483
Series 2011-122, Cl. EC, 1.50%, 1/25/20	384,534	388,952
Series 2011-15, Cl. DA, 4.00%, 3/25/41	299,970	315,394
Series 2011-3, Cl. KA, 5.00%, 4/25/40	409,294	445,471
Series 2011-38, Cl. AH, 2.75%, 5/25/20	34,075	35,221
Series 2011-6, Cl. BA, 2.75%, 6/25/20	411,934	426,208
Series 2011-69, Cl. EA, 3.00%, 11/25/29	319,874	328,257
Series 2011-82, Cl. AD, 4.00%, 8/25/26	588,066	620,158
Series 2012-20, Cl. FD, 0.565%, 3/25/42 ²	910,554	909,096
Federal National Mortgage Assn., Real Estate Mtg. Investment Conduit Multiclass		
Pass-Through Certificates, Interest-Only Stripped Mtg.-Backed Security:		
Series 2001-61, Cl. SH, 25.875%, 11/18/31 ⁴	105,662	18,931
Series 2001-63, Cl. SD, 30.774%, 12/18/31 ⁴	29,756	5,236
Series 2001-68, Cl. SC, 19.993%, 11/25/31 ⁴	18,692	3,486
Series 2001-81, Cl. S, 24.231%, 1/25/32 ⁴	23,053	4,509
Series 2002-28, Cl. SA, 34.36%, 4/25/32 ⁴	16,980	3,119
Series 2002-38, Cl. SO, 47.308%, 4/25/32 ⁴	100,794	20,819
Series 2002-48, Cl. S, 30.046%, 7/25/32 ⁴	25,715	4,861
Series 2002-52, Cl. SL, 32.897%, 9/25/32 ⁴	17,063	3,228
Series 2002-56, Cl. SN, 31.498%, 7/25/32 ⁴	35,336	6,686
Series 2002-77, Cl. IS, 44.355%, 12/18/32 ⁴	171,724	35,556
Series 2002-77, Cl. SH, 36.434%, 12/18/32 ⁴	35,435	6,768
Series 2002-9, Cl. MS, 26.172%, 3/25/32 ⁴	31,569	5,539
Series 2003-26, Cl. DI, 16.06%, 4/25/33 ⁴	245,059	58,724
Series 2003-33, Cl. SP, 26.064%, 5/25/33 ⁴	191,307	41,785
Series 2003-38, Cl. SA, 10.617%, 3/25/23 ^{4,5}	208,016	18,994
Series 2003-4, Cl. S, 27.936%, 2/25/33 ⁴	58,192	10,903
Series 2004-56, Cl. SE, 31.60%, 10/25/33 ⁴	926,414	150,895
Series 2005-12, Cl. SC, 10.362%, 3/25/35 ⁴	29,256	6,413
Series 2005-14, Cl. SE, 36.345%, 3/25/35 ⁴	1,013,222	155,275
Series 2005-40, Cl. SA, 49.005%, 5/25/35 ⁴	885,840	166,913
Series 2005-40, Cl. SB, 65.041%, 5/25/35 ⁴	1,413,854	298,191
Series 2005-52, Cl. JH, 5.497%, 5/25/35 ⁴	492,526	89,532
Series 2005-63, Cl. SA, 46.597%, 10/25/31 ⁴	51,212	8,663
Series 2007-88, Cl. XI, 26.054%, 6/25/37 ⁴	1,311,737	178,430
Series 2008-55, Cl. SA, 0.00%, 7/25/38 ^{4,5}	147,547	20,711

	Principal Amount	Value
FHLMC/FNMA/FHLB/Sponsored Continued		
Federal National Mortgage Assn., Real Estate Mtg. Investment Conduit Multiclass Pass-Through Certificates, Interest-Only Stripped Mtg.-Backed Security: Continued		
Series 2009-8, Cl. BS, 0.00%, 2/25/24 ^{4,5}	\$ 236,298	\$ 20,615
Series 2010-95, Cl. DI, 0.00%, 11/25/20 ^{4,5}	881,476	71,572
Series 2012-40, Cl. PI, 3.006%, 4/25/41 ⁴	1,757,371	338,131
	136,947,843	
GNMA/Guaranteed—0.1%		
Government National Mortgage Assn. I Pool:		
7.00%, 3/15/28-7/15/28	166,392	185,491
7.50%, 2/15/27	10,013	10,836
8.00%, 11/15/25-5/15/26	34,506	34,860
Government National Mortgage Assn. II Pool, 1.625%, 11/20/25 ²	4,206	4,365
Government National Mortgage Assn., Interest-Only Stripped Mtg.-Backed Security:		
Series 1998-6, Cl. SA, 59.892%, 3/16/28 ⁴	45,988	9,306
Series 2007-17, Cl. AI, 14.032%, 4/16/37 ⁴	419,189	69,677
Series 2011-52, Cl. HS, 8.659%, 4/16/41 ⁴	714,614	122,348
Government National Mortgage Assn., Real Estate Mtg. Investment Conduit Multiclass Pass-Through Certificates:		
Series 1999-32, Cl. ZB, 8.00%, 9/1/29	683,152	816,782
Series 2000-12, Cl. ZA, 8.00%, 2/16/30	1,500,651	1,769,433
	3,023,098	
Non-Agency—14.9%		
Commercial—12.0%		
Banc of America Commercial Mortgage Trust:		
Series 2006-3, Cl. AM, 5.859%, 7/10/44 ²	4,242,000	4,329,686
Series 2006-5, Cl. AM, 5.448%, 9/10/47	6,055,000	6,491,832
Series 2007-5, Cl. AM, 5.772%, 2/10/51 ²	8,090,000	8,672,593
BCAP LLC Trust:		
Series 2012-RR2, Cl. 6A3, 2.774%, 9/26/35 ^{1,2}	577,030	583,902
Series 2012-RR6, 2.404%, 11/26/36 ¹	406,363	408,524
Series 2013-RR2, Cl. 5A2, 2.709%, 3/26/36 ^{1,2}	7,586,757	6,088,205
Bear Stearns Commercial Mortgage Securities Trust:		
Series 2006-PW13, Cl. AJ, 5.611%, 9/11/41 ²	8,145,000	8,306,768
Series 2007-PW17, Cl. AJ, 5.887%, 6/1/50 ²	7,400,000	7,206,224
Series 2007-T26, Cl. AJ, 5.566%, 1/12/45 ²	6,183,000	5,952,937
CHL Mortgage Pass-Through Trust, Series 2005-HYB8, Cl. 4A1, 4.437%, 12/20/35 ²	119,456	102,665
Citigroup Commercial Mortgage Trust:		
Series 2008-C7, Cl. AM, 6.132%, 12/1/49 ²	3,005,000	3,338,693
Series 20113-GCJ11, 4.607%, 4/10/46 ¹	3,125,000	2,704,317
Citigroup Mortgage Loan Trust, Inc.:		
Series 2009-8, Cl. 7A2, 2.628%, 3/25/36 ^{1,2}	10,474,197	9,344,456
Series 2012-8, Cl. 1A1, 2.66%, 10/25/35 ^{1,2}	984,210	987,478
COMM Mortgage Trust:		
Series 2012-CR4, Cl. D, 4.577%, 10/15/45 ^{1,2}	70,000	62,456
Series 2012-CR5, Cl. E, 4.335%, 12/10/45 ^{1,2}	2,970,000	2,595,988
Series 2012-CR5, Cl. XA, 2.788%, 12/10/45 ⁴	3,526,273	371,186
Series 2013-CR11, Cl. C, 5.173%, 10/10/46 ^{1,2}	2,180,000	2,173,250
Series 2013-CR6, Cl. D, 4.176%, 3/10/46 ^{1,2}	1,525,000	1,288,675
Series 2013-CR7, Cl. D, 4.36%, 3/10/46 ^{1,2}	3,245,000	2,711,861
Series 2013-CR9, Cl. D, 4.261%, 7/10/45 ^{1,2}	2,685,000	2,280,042
Series 2013-LC13, Cl. C, 5.05%, 8/10/46 ^{1,2}	1,155,000	1,167,794
Series 2013-LC13, Cl. D, 5.05%, 8/10/46 ^{1,2}	2,314,000	2,082,762
COMM Mortgage Trust, Interest-Only Stripped Mtg.-Backed Security, Series 2010-C1, Cl. XPA, 0.00%, 7/10/46 ^{1,4,5}	4,820,380	192,109
Countrywide Alternative Loan Trust, Series 2006-J2, Cl. A7, 6%, 4/25/36	490,627	444,279
Countrywide Home Loans:		
Series 2005-17, Cl. 1A8, 5.50%, 9/25/35	1,937,839	1,932,704
Series 2007-J3, Cl. A9, 6.00%, 7/1/37	4,723,699	4,117,738

	Principal Amount	Value
Commercial Continued		
Credit Suisse Commercial Mortgage Trust:		
Series 2006-C1, Cl. AJ, 5.465%, 2/15/39 ²	\$ 695,000	\$ 739,247
Series 2006-C4, Cl. AM, 5.509%, 9/15/39	4,315,000	4,641,516
Credit Suisse First Boston Commercial Trust, Series 2005-C6, Cl. AJ, 5.23%, 12/15/40 ²	600,000	634,281
DBUBS Mortgage Trust, Series 2011-LC1A, Cl. E, 5.557%, 11/10/46 ^{1,2}	100,000	102,351
Deutsche Alt-B Securities, Inc. Mortgage Loan Trust:		
Series 2006-AB2, Cl. A1, 5.888%, 6/25/36 ²	100,251	76,312
Series 2006-AB4, Cl. A1A, 6.005%, 10/25/36 ²	492,296	369,246
Deutsche Mortgage Securities, Inc., Series 2013-RS1, Cl. 1A2, 0.387%, 7/22/36 ^{2,3}	5,060,144	3,895,780
EverBank Mortgage Loan Trust, Series 2013-1, Cl. A1, 2.25%, 3/25/43 ^{1,2}	1,184,798	1,055,003
First Horizon Alternative Mortgage Securities Trust:		
Series 2005-FA8, Cl. 1A6, 0.815%, 11/25/35 ²	4,231,787	3,212,637
Series 2005-FA9, Cl. A4A, 5.50%, 12/25/35	1,625,459	1,437,473
Series 2007-FA2, Cl. 1A1, 5.50%, 4/1/37	1,249,325	931,082
Series 2007-FA4, Cl. 1A6, 6.25%, 8/25/37 ²	4,952,131	4,150,302
FREMF Mortgage Trust:		
Series 2013-K25, Cl. C, 3.618%, 11/25/45 ^{1,2}	2,000,077	1,673,675
Series 2013-K26, Cl. C, 3.60%, 12/25/45 ^{1,2}	1,040,000	870,184
Series 2013-K27, Cl. C, 3.497%, 1/25/46 ^{1,2}	1,630,000	1,349,422
Series 2013-K28, Cl. C, 3.494%, 6/25/46 ^{1,2}	1,605,000	1,308,426
Series 2013-K712, Cl. C, 3.367%, 5/25/45 ^{1,2}	240,000	216,540
Series 2013-K713, Cl. C, 3.165%, 4/25/46 ^{1,2}	740,000	654,769
GCCFC Commercial Mortgage Trust:		
Series 2006-GG7, Cl. AJ, 5.82%, 7/10/38 ²	4,659,688	4,797,978
Series 2007-GG9, Cl. AM, 5.475%, 3/10/39	6,035,000	6,437,685
GE Capital Commercial Mortgage Corp., Series 2005-C4, Cl. AJ, 5.311%, 11/10/45 ²	6,510,000	6,344,177
GSR Mortgage Loan Trust, Series 2005-AR4, Cl. 6A1, 5.221%, 7/25/35 ²	43,064	42,693
IM Pastor 4 Fondo de Titulizacion de Activos, Series 4, Cl. A, 0.433%, 3/22/44 ²	209,762	227,112
JP Morgan Chase Commercial Mortgage Securities Trust:		
Series 2006-CB16, Cl. AJ, 5.623%, 5/12/45	2,695,000	2,639,146
Series 2006-LDP7, Cl. AJ, 5.863%, 4/15/45 ²	1,075,000	1,082,463
Series 2006-LDP8, Cl. AJ, 5.48%, 5/15/45 ²	8,870,000	9,260,706
Series 2007-CB18, Cl. AJ, 5.502%, 6/12/47 ²	8,281,000	7,835,337
Series 2007-CB19, Cl. AM, 5.706%, 2/12/49 ²	5,850,000	6,296,528
Series 2013-C10, Cl. C, 4.161%, 12/15/47 ²	3,025,000	2,870,905
Series 2013-C10, Cl. D, 4.161%, 12/15/47 ²	3,420,000	2,909,762
JPMBB Commercial Mortgage Securities Trust, Series 2013-C14, Cl. D, 4.561%, 8/15/46 ^{1,2}	2,500,000	2,183,166
JP Morgan Re-Securitization Trust, Series 2009-5, Cl. 1A2, 2.612%, 7/26/36 ^{1,2}	5,201,231	4,025,847
Merrill Lynch Mortgage Trust, Series 2006-C1, Cl. AJ, 5.676%, 5/12/39 ²	6,860,000	6,915,154
ML-CFC Commercial Mortgage Trust, Series 2006-3, Cl. AJ, 5.485%, 7/12/46 ²	5,820,000	5,707,229
Morgan Stanley Bank of America Merrill Lynch Trust:		
Series 2012-C6, Cl. E, 4.664%, 11/15/45 ^{1,2}	2,290,000	2,056,474
Series 2013-C12, Cl. C, 4.771%, 10/15/46 ²	2,195,000	2,148,724
Series 2013-C12, Cl. D, 4.771%, 10/15/46 ^{1,2}	2,370,000	2,087,360
Series 2013-C7, Cl. D, 4.304%, 2/15/46 ^{1,2}	4,250,000	3,680,759
Series 2013-C8, Cl. D, 4.172%, 12/15/48 ^{1,2}	2,020,000	1,717,668
Morgan Stanley Capital I Trust:		
Series 2006-HQ10, Cl. AJ, 5.389%, 11/12/41 ²	3,975,000	4,020,571

CONSOLIDATED STATEMENT OF INVESTMENTS

Continued

	Principal Amount	Value
Commercial Continued		
Morgan Stanley Capital I Trust: Continued		
Series 2006-HQ10, Cl. AM, 5.36%, 11/12/41	\$ 8,500,000	\$ 9,334,985
Series 2007-HQ11, Cl. AJ, 5.508%, 2/12/44 ²	2,115,000	2,242,874
Series 2007-IQ13, Cl. AM, 5.406%, 3/15/44	765,000	833,111
Series 2007-IQ15, Cl. AM, 5.91%, 6/1/49 ²	5,875,000	6,338,831
Morgan Stanley Re-Remic Trust, Re-Securitization Real Estate Mtg. Investment Conduit Multiclass Pass-Through Certificates, Series 2012-R3, Cl. 1A, 2.065%, 11/26/36 ^{1,2}	39,696	39,539
RALI Trust, Series 2005-QA4, Cl. A32, 3.176%, 4/25/35 ²	82,157	11,000
Residential Asset Securitization Trust, Series 2006-A12, Cl. A1, 6.25%, 11/1/36	549,509	416,444
Sequoia Mortgage Trust, Series 2012-2, Cl. A2, 3.50%, 4/25/42 ²	219,303	220,867
STARM Mortgage Loan Trust, Series 2007-1, Cl. 2A1, 4.422%, 2/25/37 ²	6,123,086	5,125,415
Structured Adjustable Rate Mortgage Loan Trust:		
Series 2004-10, Cl. 2A, 2.394%, 8/25/34 ²	6,870,756	6,686,946
Series 2006-4, Cl. 6A, 5.09%, 5/25/36 ²	1,774,379	1,497,310
Series 2007-6, Cl. 3A1, 4.701%, 7/25/37 ²	5,320,660	4,195,133
UBS-Bardays Commercial Mortgage Trust:		
Series 2012-C2, Cl. E, 4.891%, 5/1/63 ^{1,2}	3,450,000	3,054,954
Series 2013-C5, Cl. D, 4.095%, 3/10/46 ^{1,2}	4,200,000	3,496,565
Wachovia Bank Commercial Mortgage Trust:		
Series 2006-C25, Cl. AJ, 5.724%, 5/15/43 ²	5,315,000	5,542,843
Series 2007-C30, Cl. AM, 5.383%, 12/15/43	5,900,000	6,361,333
Washington Mutual Mortgage Pass-Through Certificates Trust, Series 2007-OA3, Cl. 5A, 2.213%, 4/25/47 ²	582,995	412,473
Wells Fargo Mortgage Backed Securities Trust:		
Series 2004-W, Cl. B2, 2.615%, 11/25/34 ²	133,822	4,783
Series 2006-8, Cl. A15, 6.00%, 7/25/36	2,979,983	2,890,089
Wells Fargo Mortgage-Backed Securities Trust:		
Series 2005-AR1, Cl. 1A1, 2.61%, 2/25/35 ²	2,725,130	2,724,942
Series 2005-AR15, Cl. 1A6, 2.607%, 9/25/35 ²	5,519,162	5,183,514
Series 2006-AR7, Cl. 2A4, 2.616%, 5/1/36 ²	2,163,453	2,019,293
Series 2007-AR3, Cl. A4, 5.646%, 4/25/37 ²	1,390,150	1,331,095
WF-RBS Commercial Mortgage Trust:		
Series 2012-C10, Cl. D, 4.46%, 12/15/45 ^{1,2}	105,000	91,011
Series 2012-C7, Cl. E, 4.848%, 6/15/45 ^{1,2}	2,040,000	1,858,032
Series 2012-C8, Cl. E, 4.878%, 8/15/45 ^{1,2}	2,275,000	2,089,684
Series 2013-C11, Cl. D, 4.184%, 3/15/45 ^{1,2}	1,168,000	996,923
Series 2013-C15, Cl. D, 4.486%, 8/15/46 ^{1,2}	3,150,000	2,692,833
WF-RBS Commercial Mortgage Trust, Interest-Only Commercial Mtg. Pass-Through Certificates, Series 2011-C3, Cl. XA, 1.418%, 3/15/44 ^{1,4}	5,899,396	399,150
		276,636,786

Multi-Family—0.8%

Banc of America Commercial Mortgage Trust, Series 2006-2, Cl. AJ, 5.769%, 5/10/45 ²	4,295,000	4,491,915
Citigroup Mortgage Loan Trust, Inc., Series 2006-AR3, Cl. 1A2A, 5.432%, 6/25/36 ²	4,054,516	3,727,203
Countrywide Alternative Loan Trust, Series 2006-24CB, Cl. A12, 5.75%, 6/25/36	1,576,976	1,336,696
JP Morgan Mortgage Trust, Series 2007-A3, Cl. 3A2M, 4.713%, 5/1/37 ²	3,169,868	3,064,042
Wells Fargo Mortgage-Backed Securities Trust: Series 2005-AR15, Cl. 1A2, 2.607%, 9/25/35 ²	294,330	286,953

	Principal Amount	Value
Multi-Family Continued		
Wells Fargo Mortgage-Backed Securities Trust: Continued		
Series 2006-AR2, Cl. 2A3, 2.628%, 3/25/36 ²	\$ 4,482,615	\$ 4,439,575
		17,346,384

Residential—2.1%

Argent Securities, Inc., Series 2004-W8, Cl. A2, 1.125%, 5/25/34 ²	\$826,621	799,524
Banc of America Commercial Mortgage Trust, Series 2007-4, Cl. AM, 5.813%, 2/1/51 ²	3,560,000	3,934,403
Banc of America Funding Trust:		
Series 2007-1, Cl. 1A3, 6.00%, 1/25/37	1,622,755	1,431,369
Series 2007-C, Cl. 1A4, 5.359%, 5/20/36 ²	1,450,729	1,395,440
Bear Stearns Adjustable Rate Mortgage Trust, Series 2004-2, Cl. 12A2, 2.728%, 5/1/34 ²	1,923,457	1,889,518
CD Commercial Mortgage Trust, Series 2007-CD4, Cl. AMFX, 5.366%, 12/11/49 ²	8,565,000	8,874,877
Citigroup Mortgage Loan Trust, Inc.:		
Series 2005-2, Cl. 1A3, 2.68%, 5/25/35 ²	1,846,501	1,808,408
Series 2005-3, Cl. 2A4, 2.723%, 8/25/35 ²	3,490,630	3,013,360
Countrywide Asset-Backed Certificates:		
Series 2005-16, Cl. 2AF2, 5.021%, 5/25/36 ²	472,774	490,033
Series 2006-25, Cl. 2A2, 0.285%, 6/25/47 ²	32,807	32,850
Countrywide Home Loans:		
Series 2005-29, Cl. A1, 5.75%, 12/25/35	4,006,382	3,651,757
Series 2005-J4, Cl. A7, 5.50%, 11/1/35	1,434,128	1,468,183
Series 2006-6, Cl. A3, 6.00%, 4/25/36	346,872	319,615
Series 2007-HY3, Cl. 1A1, 2.758%, 6/1/47 ²	1,806,568	1,606,680
CWHEQ Revolving Home Equity Loan Trust:		
Series 2005-G, Cl. 2A, 0.397%, 12/15/35 ²	126,495	95,949
Series 2006-H, Cl. 2A1A, 0.317%, 11/15/36 ²	57,520	35,808
GSR Mortgage Loan Trust, Series 2006-5F, Cl. 2A1, 6%, 6/25/36	417,516	407,876
Home Equity Mortgage Trust, Series 2005-1, Cl. M6, 5.863%, 6/25/35 ²	983,060	1,006,222
MASTR Asset Backed Securities Trust, Series 2006-WMC3, Cl. A3, 0.265%, 8/25/36 ²	1,080,490	554,882
MLCC Mortgage Investors, Inc., Series 2006-3, Cl. 2A1, 2.333%, 10/25/36 ²	1,303,151	1,247,657
NC Finance Trust, Series 1999-I, Cl. D, 3.405%, 1/25/29 ^{3,8}	66,744	4,005
RALI Trust:		
Series 2006-QS13, Cl. 1A8, 6.00%, 9/1/36	28,543	21,710
Series 2007-QS6, Cl. A28, 5.75%, 4/25/37	680,392	536,568
Residential Asset Securitization Trust:		
Series 2005-A14, Cl. A1, 5.50%, 12/25/35	2,727,934	2,442,363
Series 2005-A15, Cl. 1A4, 5.75%, 2/1/36	2,893,962	2,621,990
Series 2005-A6CB, Cl. A7, 6.00%, 6/1/35	3,555,511	3,413,678
Terwin Mortgage Trust, Series 2006-45L, Cl. A1, 2.147%, 5/25/37 ^{1,2}	147,392	69,526
WaMu Mortgage Pass-Through Certificates Trust, Series 2005-AR12, Cl. 1A8, 2.357%, 10/25/35 ²	1,889,794	1,801,898
Wells Fargo Mortgage-Backed Securities Trust:		
Series 2005-9, Cl. 2A6, 5.25%, 10/25/35	284,699	293,664
Series 2006-AR14, Cl. 1A2, 5.584%, 10/1/36 ²	2,270,153	2,176,773
		47,446,586
Total Mortgage-Backed Obligations (Cost \$468,034,825)		481,400,697

U.S. Government Obligations—7.3%

Federal National Mortgage Assn. Nts., 1.25%, 1/30/17	703,000	711,781
U.S. Treasury Bills, 0.091%, 5/29/14	45,665,000	45,654,999
U.S. Treasury Nts.:		
0.25%, 7/31/15	26,000,000	26,000,000

	Principal Amount	Value
U.S. Government Obligations Continued		
U.S. Treasury Nts.: Continued		
0.25%, 10/31/15 ^{10,15}	\$75,000,000	\$ 74,898,900
0.625%, 11/15/16-12/15/16	3,865,000	3,852,445
1.375%, 9/30/18 ¹⁰	16,696,000	16,484,044
2.00%, 9/30/20	9,509,000	9,284,645
2.50%, 8/15/23	735,000	704,595
U.S. Treasury Nts., Strips, 6.16%, 2/15/16	2,116,000	2,096,402
Total U.S. Government Obligations (Cost \$179,939,410)		179,687,811
Foreign Government Obligations—23.9%		
Angola—0.1%		
Republic of Angola Via Northern Lights III BV Sr. Unsec. Nts., 7%, 8/16/19	1,845,000	2,001,825
Australia—0.3%		
Commonwealth of Australia Sr. Unsec. Bonds, 1.25%, 2/21/22	535,000 AUD	486,389
New South Wales Treasury Corp. Sr. Unsec. Nts., 6%, Series 19, 4/1/19	460,000 AUD	456,123
Queensland Treasury Corp. Sr. Unsec. Nts.:		
Series 19, 6.25%, 6/14/19	580,000 AUD	581,561
Series 21, 6.00%, 6/14/21	3,425,000 AUD	3,404,035
Series 22, 6.00%, 7/21/22	195,000 AUD	190,812
Series 33, 6.50%, 3/14/33	3,300,000 AUD	3,307,174
Victoria Treasury Corp. Sr. Unsec. Nts.:		
5.50%, 11/17/26	2,790,000 AUD	2,623,234
Series 1224, 5.50%, 12/17/24	540,000 AUD	513,376
Western Australia Treasury Corp. Unsec. Nts., 7%, Series 19, 10/15/19	220,000 AUD	226,533
		11,789,237
Bolivia—0.0%		
Plurinational State of Bolivia Sr. Unsec. Nts., 4.875%, 10/29/22 ¹	310,000	297,600
Brazil—3.3%		
Brazil Minas SPE via State of Minas Gerais Sec. Bonds, 5.333%, 2/15/28 ¹	1,720,000	1,603,900
Federative Republic of Brazil International Bonds, 4.25%, 1/7/25	1,310,000	1,249,413
Federative Republic of Brazil Letra Tesouro Nacional Unsec. Nts.:		
9.61%, 7/1/14 ⁹	84,165,000 BRL	34,002,731
10.571%, 1/1/15 ⁹	17,210,000 BRL	6,587,712
9.59%, 4/1/14 ⁹	39,260,000 BRL	16,249,521
10.346%, 10/1/14 ⁹	10,380,000 BRL	4,081,640
Federative Republic of Brazil Nota Do Tesouro Nacional Unsec. Nts.:		
9.762%, 1/1/18	12,225,000 BRL	4,783,611
9.762%, 1/1/21	4,945,000 BRL	1,821,636
10.00%, 1/1/23	6,595,000 BRL	2,361,289
Federative Republic of Brazil Sr. Unsec. Nts., 4.875%, 1/22/21	1,707,000	1,809,420
		74,550,873
Canada—0.8%		
Canada Treasury Bills:		
0.965%, 5/8/14 ⁹	11,615,000 CAD	10,899,348
0.993%, 9/25/14 ⁹	11,615,000 CAD	10,858,235
		21,757,583
Colombia—0.4%		
Republic of Colombia Sr. Unsec. Bonds, 6.125%, 1/18/41	430,000	463,325
Republic of Colombia Sr. Unsec. Nts.:		
4.00%, 2/26/24	1,490,000	1,440,085
7.375%, 1/27/17	620,000	720,130
7.375%, 3/18/19	2,665,000	3,219,320
8.125%, 5/21/24	970,000	1,251,300
Series B, 7.00%, 5/4/22	5,289,000,000 COP	2,781,521
Series B, 10.00%, 7/24/24	399,000,000 COP	255,195
		10,130,876

	Principal Amount	Value
Costa Rica—0.0%		
Republic of Costa Rica Sr. Unsec. Bonds, 4.375%, 4/30/25 ¹	\$ 305,000	\$ 270,688
Croatia—0.2%		
Republic of Croatia Sr. Unsec. Nts.:		
5.50%, 4/4/23 ¹	2,500,000	2,443,750
6.25%, 4/27/17 ¹	1,275,000	1,361,063
6.375%, 3/24/21 ¹	585,000	615,128
6.75%, 11/5/19 ¹	585,000	636,188
		5,056,129
Dominican Republic—0.0%		
Banco de Reservas de la Republica Dominicana Sub. Nts., 7%, 2/1/23 ¹	910,000	841,750
Dominican Republic Sr. Unsec. Bonds, 5.875%, 4/18/24 ¹	1,010,000	974,650
		1,816,400
Gabon—0.0%		
Gabonese Republic Unsec. Bonds, 6.375%, 12/12/24 ¹	950,000	957,125
Germany—0.8%		
Federal Republic of Germany Bonds, 2.25%, 4/11/14	14,250,000 EUR	19,715,721
Greece—0.0%		
Hellenic Republic Sr. Unsec. Bonds:		
2.00%, 2/24/23 ²	25,000 EUR	23,296
2.00%, 2/24/24 ²	25,000 EUR	22,358
2.00%, 2/24/25 ²	25,000 EUR	21,611
2.00%, 2/24/26 ²	25,000 EUR	21,137
2.00%, 2/24/27 ²	25,000 EUR	20,776
2.00%, 2/24/28 ²	25,000 EUR	20,089
2.00%, 2/24/29 ²	25,000 EUR	19,673
2.00%, 2/24/30 ²	25,000 EUR	19,347
2.00%, 2/24/31 ²	25,000 EUR	18,962
2.00%, 2/24/32 ²	25,000 EUR	18,775
2.00%, 2/24/33 ²	25,000 EUR	18,472
2.00%, 2/24/34 ²	25,000 EUR	18,359
2.00%, 2/24/35 ²	25,000 EUR	18,105
2.00%, 2/24/36 ²	25,000 EUR	18,122
2.00%, 2/24/37 ²	25,000 EUR	17,959
2.00%, 2/24/38 ²	25,000 EUR	17,902
2.00%, 2/24/39 ²	25,000 EUR	17,916
2.00%, 2/24/40 ²	25,000 EUR	17,827
2.00%, 2/24/41 ²	25,000 EUR	17,669
2.00%, 2/24/42 ²	25,000 EUR	17,811
		386,166
Guatemala—0.0%		
Republic of Guatemala Sr. Unsec. Bonds, 4.875%, 2/13/28 ¹	660,000	607,200
Hungary—1.9%		
Hungary Sr. Unsec. Bonds, 7.625%, 3/29/41	140,000	153,825
Hungary Sr. Unsec. Nts.:		
5.375%, 2/21/23	2,110,000	2,094,175
5.75%, 6/11/18	310,000 EUR	466,495
6.375%, 3/29/21	2,970,000	3,200,175
Hungary Treasury Bills:		
3.522%, 4/30/14 ⁹	2,468,000,000 HUF	11,372,150
3.512%, 3/5/14 ⁹	1,176,000,000 HUF	5,428,693
3.559%, 1/8/14 ⁹	823,000,000 HUF	3,806,597
Hungary Unsec. Bonds:		
Series 17/A, 6.75%, 11/24/17	486,000,000 HUF	2,439,650
Series 19/A, 6.50%, 6/24/19	510,000,000 HUF	2,548,939
Series 20/A, 7.50%, 11/12/20	280,000,000 HUF	1,460,234
Series 23/A, 6.00%, 11/24/23	583,200,000 HUF	2,773,070
Hungary Unsec. Nts.:		
Series 16/D, 5.50%, 12/22/16	442,000,000 HUF	2,135,756
Series 18/A, 5.50%, 12/20/18	1,266,000,000 HUF	6,068,318
		43,948,077
India—0.0%		
Republic of India Treasury Bills, 8.665%, 2/14/14 ⁹	1,000,000 INR	16,007

CONSOLIDATED STATEMENT OF INVESTMENTS

Continued

	Principal Amount		Value
Indonesia—0.8%			
Perusahaan Penerbit SBSN Indonesia			
Sr. Unsec. Bonds, 4%, 11/21/18 ¹	\$ 2,595,000	\$	2,556,075
Perusahaan Penerbit SBSN Indonesia			
Unsec. Nts., 6.125%, 3/15/19 ¹	1,600,000		1,714,000
Republic of Indonesia Sr. Unsec. Bonds:			
3.375%, 4/15/23 ¹	870,000		746,025
4.875%, 5/5/21 ¹	2,420,000		2,407,900
5.25%, 1/17/42 ¹	1,305,000		1,132,088
5.375%, 10/17/23 ¹	3,100,000		3,100,000
11.625%, 3/4/19 ¹	520,000		698,100
Republic of Indonesia Treasury Bonds:			
Series FR53, 8.25%, 7/15/21	4,250,000,000 IDR		346,191
Series FR61, 7.00%, 5/15/22	6,200,000,000 IDR		465,728
Series FR68, 8.375%, 3/15/34	14,350,000,000 IDR		1,123,643
Series FR70, 8.375%, 3/15/24	36,600,000,000 IDR		3,011,154
Series FR71, 9.00%, 3/15/29	25,070,000,000 IDR		2,081,605
			19,382,509
Italy—0.6%			
Italy Buoni Ordinari del Tesoro BOT,			
0.632%, 4/30/14 ⁹	465,000 EUR		638,266
Republic of Italy Buoni Poliennali del Tesoro Unsec. Bonds:			
3.50%, 11/1/17	645,000 EUR		926,498
4.00%, 9/1/20	1,600,000 EUR		2,316,679
4.50%, 3/1/19	3,730,000 EUR		5,548,797
4.75%, 9/1/44 ¹	600,000 EUR		816,873
5.00%, 3/1/22	300,000 EUR		451,313
5.00%, 9/1/40	1,200,000 EUR		1,702,924
Republic of Italy Buoni Poliennali del Tesoro Unsec. Nts., 4.75%, 5/1/17	805,000 EUR		1,202,291
Republic of Italy Certificati di Credito del Tesoro Unsec. Nts., 1.14%, 10/15/17 ²	730,000 EUR		982,623
Republic of Italy International Sr. Unsec. Bonds, 4.50%, 6/8/15	141,000,000 JPY		1,397,724
			15,983,988
Ivory Coast—0.2%			
Republic of Cote d'Ivoire Sr. Unsec. Bonds, 7.10%, 12/31/32 ²	4,825,000		4,342,500
Japan—0.0%			
Japan Bank for International Cooperation Sr. Unsec. Nts., 2.30%, 3/19/18	395,000 CAD		369,788
Kazakhstan—0.0%			
Development Bank of Kazakhstan JSC Sr. Unsec. Bonds, 4.125%, 12/10/22 ¹	770,000		691,999
Latvia—0.1%			
Republic of Latvia Sr. Unsec. Nts., 5.25%, 6/16/21 ¹	1,175,000		1,273,406
Lithuania—0.2%			
Republic of Lithuania Sr. Unsec. Bonds:			
6.125%, 3/9/21 ¹	1,990,000		2,264,222
6.625%, 2/1/22 ¹	1,840,000		2,155,100
			4,419,322
Malaysia—0.2%			
Bank Negara Malaysia Monetary Nts., 2.976%, 2/20/14 ⁹	5,270,000 MYR		1,602,651
Bank Negara Malaysia Monetary Unsec. Nts.:			
2.848%, 3/11/14 ⁹	4,215,000 MYR		1,279,800
2.923%, 7/10/14 ⁹	3,055,000 MYR		918,495
			3,800,946
Mexico—5.6%			
United Mexican States Sr. Unsec. Bonds:			
6.75%, 9/27/34	855,000		1,013,175
7.50%, 4/8/33	325,000		411,937
United Mexican States Treasury Bills:			
3.597%, 3/6/14 ⁹	274,170,000 MXN		20,879,673
3.67%, 3/20/14 ⁹	235,000,000 MXN		17,863,888
3.607%, 4/30/14 ⁹	96,900,000 MXN		7,336,391
3.561%, 4/16/14 ⁹	250,850,000 MXN		19,026,290
3.529%, 4/3/14 ⁹	240,700,000 MXN		18,272,847

	Principal Amount		Value
Mexico Continued			
United Mexican States Treasury Bills: Continued			
3.58%, 5/29/14 ⁹	240,700,000 MXN	\$	18,177,537
3.581%, 1/2/14 ⁹	25,700,000 MXN		1,968,368
3.99%, 2/6/14 ⁹	39,700,000 MXN		3,030,779
3.993%, 1/23/14 ⁹	31,600,000 MXN		2,415,386
United Mexican States Unsec. Bonds:			
Series M, 6.50%, 6/9/22	83,700,000 MXN		6,496,598
Series M, 7.00%, 6/19/14	139,700,000 MXN		10,921,092
Series M, 8.00%, 6/11/20	20,100,000 MXN		1,727,715
Series M10, 7.75%, 12/14/17	22,135,000 MXN		1,862,617
Series M20, 7.50%, 6/3/27	51,700,000 MXN		4,232,257
Series M20, 8.50%, 5/31/29	40,740,000 MXN		3,551,967
			139,188,517
Morocco—0.1%			
Kingdom of Morocco Sr. Unsec. Nts., 4.25%, 12/11/22 ¹	1,680,000		1,562,400
Nigeria—0.2%			
Federal Republic of Nigeria Bonds, 4%, 4/23/15	342,000,000 NGN		1,910,881
Federal Republic of Nigeria Sr. Unsec. Bonds, 5.125%, 7/12/18 ¹	995,000		1,023,606
Federal Republic of Nigeria Treasury Bills, 11.235%, 1/23/14 ⁹	166,000,000 NGN		1,031,397
Federal Republic of Nigeria Unsec. Bonds:			
7.00%, 10/23/19	214,000,000 NGN		1,021,153
16.00%, 6/29/19	219,000,000 NGN		1,526,359
			6,513,396
Panama—0.0%			
Republic of Panama Sr. Unsec. Bonds:			
5.20%, 1/30/20	885,000		967,969
6.70%, 1/26/36	495,000		555,637
8.875%, 9/30/27	615,000		824,100
9.375%, 4/1/29	565,000		786,762
			3,134,468
Peru—0.3%			
Republic of Peru Sr. Unsec. Bonds:			
6.55%, 3/14/37	1,060,000		1,224,300
7.84%, 8/12/20 ¹	6,380,000 PEN		2,602,918
8.20%, 8/12/26 ¹	6,395,000 PEN		2,691,013
			6,518,231
Philippines—0.2%			
Republic of the Philippines Sr. Unsec. Bonds:			
6.375%, 1/15/32	1,600,000		1,884,000
6.375%, 10/23/34	1,960,000		2,337,300
7.75%, 1/14/31	300,000		396,000
			4,617,300
Poland—0.5%			
Republic of Poland Sr. Unsec. Bonds:			
3.00%, 3/17/23	1,330,000		1,214,889
5.00%, 3/23/22	1,295,000		1,387,269
5.125%, 4/21/21	2,335,000		2,542,231
Republic of Poland Unsec. Bonds:			
5.25%, 10/25/20	8,740,000 PLN		3,105,197
5.75%, 10/25/21	8,390,000 PLN		3,059,064
			11,308,650
Portugal—0.1%			
Republic of Portugal Obrigacoes do Tesouro OT Sr. Unsec. Bonds:			
4.10%, 4/15/37	760,000 EUR		765,800
4.35%, 10/16/17 ¹	2,200,000 EUR		3,024,497
4.75%, 6/14/19	140,000 EUR		187,533
			3,977,830
Romania—0.2%			
Romania Sr. Unsec. Bonds, 6.75%, 2/7/22 ¹	2,335,000		2,658,981
Romania Unsec. Bonds:			
5.85%, 4/26/23	1,010,000 RON		325,122
5.90%, 7/26/17	8,710,000 RON		2,821,139
			5,805,242

	Principal Amount	Value
Russia—2.0%		
AHML Via AHML Finance Ltd. Unsec. Nts., 7.75%, 2/13/18 ¹	44,700,000 RUB \$	1,343,949
Russian Federation Sr. Unsec. Bonds:		
5.875%, 9/16/43 ¹	1,105,000	1,125,995
Series 6211, 7.00%, 1/25/23	166,000,000 RUB	4,880,423
Russian Federation Unsec. Bonds:		
6.80%, 12/11/19	188,300,000 RUB	5,639,668
7.00%, 8/16/23	164,200,000 RUB	4,777,830
Series 6204, 7.50%, 3/15/18	138,400,000 RUB	4,318,925
Series 6205, 7.60%, 4/14/21	206,100,000 RUB	6,363,277
Series 6209, 7.60%, 7/20/22	147,800,000 RUB	4,516,108
Vnesheconombank Sr. Unsec. Bonds, Series 18, 8.55%, 9/17/32 ²	36,100,000 RUB	1,116,772
Vnesheconombank Sr. Unsec. Bonds, Series 9, 7.90%, 3/18/21 ²	33,200,000 RUB	1,017,975
Vnesheconombank Via VEB Finance plc Sr. Unsec. Bonds:		
5.375%, 2/13/17 ¹	1,880,000	2,009,344
5.45%, 11/22/17 ¹	1,105,000	1,186,549
6.902%, 7/9/20 ¹	3,545,000	3,921,656
Vnesheconombank Via VEB Finance plc Sr. Unsec. Nts., 5.942%, 11/21/23 ¹	1,770,000	1,774,425
		43,992,896
Serbia—0.1%		
Republic of Serbia Sr. Unsec. Bonds, 5.25%, 11/21/17 ¹	825,000	831,188
Republic of Serbia Treasury Bills:		
9.824%, 1/30/14 ⁹	38,000,000 RSD	455,512
10.004%, 6/12/14 ⁹	151,000,000 RSD	1,751,457
Republic of Serbia Unsec. Bonds, 5.875%, 12/3/18 ¹	940,000	961,150
		3,999,307
South Africa—1.3%		
Republic of South Africa Sr. Unsec. Bonds:		
5.875%, 5/30/22	330,000	355,163
5.875%, 9/16/25	1,625,000	1,694,875
6.25%, 3/31/36	18,100,000 ZAR	1,270,406
Series R207, 7.25%, 1/15/20	93,930,000 ZAR	8,861,906
Series R208, 6.75%, 3/31/21	99,675,000 ZAR	9,039,525
Republic of South Africa Unsec. Bonds:		
10.50%, 12/21/26	15,600,000 ZAR	1,753,037
Series 2023, 7.75%, 2/28/23	25,300,000 ZAR	2,390,305
Series R213, 7.00%, 2/28/31	31,838,000 ZAR	2,535,291
		27,900,508
South Korea—0.0%		
Korea Housing Finance Corp. Sec. Nts., 1.625%, 9/15/18 ¹	260,000	245,656
Spain—0.0%		
Autonomous Community of Madrid Spain Sr. Unsec. Bonds, 4.30%, 9/15/26	555,000 EUR	720,296
Instituto de Credito Oficial Sr. Unsec. Nts., 5%, 5/15/15	2,200,000 NOK	368,019
Kingdom of Spain Bonds, 5.15%, 10/31/44 ¹	260,000 EUR	366,195
Kingdom of Spain Sr. Unsec. Bonds, 4.50%, 1/31/18	550,000 EUR	815,009
		2,269,519
Sri Lanka—0.0%		
Democratic Socialist Republic of Sri Lanka Sr. Unsec. Bonds:		
5.875%, 7/25/22 ¹	620,000	585,900
6.25%, 10/4/20 ¹	715,000	711,425
6.25%, 7/27/21 ¹	780,000	766,350
		2,063,675
Tanzania—0.1%		
United Republic of Tanzania Sr. Unsec. Nts., 6.392%, 3/9/20 ²	1,230,000	1,291,500
Thailand—0.5%		
Kingdom of Thailand Sr. Unsec. Bonds:		
3.58%, 12/17/27	107,000,000 THB	3,076,742

	Principal Amount	Value
Thailand (Continued)		
Kingdom of Thailand Sr. Unsec. Bonds: Continued		
3.625%, 6/16/23	149,400,000 THB \$	4,458,767
3.65%, 12/17/21	95,700,000 THB	2,896,180
Kingdom of Thailand Sr. Unsec. Nts., 3.875%, 6/13/19	91,100,000 THB	2,839,817
		13,271,506
Turkey—1.4%		
Republic of Turkey Sr. Unsec. Bonds:		
4.35%, 11/12/21 ⁷	1,760,000 EUR	2,403,073
5.625%, 3/30/21	1,105,000	1,114,945
6.25%, 9/26/22	1,740,000	1,811,340
6.875%, 3/17/36	615,000	605,621
7.375%, 2/5/25	1,125,000	1,217,250
8.00%, 6/4/14	12,525,000 TRY	5,820,715
Republic of Turkey Unsec. Bonds:		
5.828%, 2/11/15 ¹¹	2,905,000 TRY	1,825,919
6.317%, 2/14/18	4,445,000 TRY	1,825,160
7.10%, 3/8/23	5,740,000 TRY	2,193,967
8.30%, 6/20/18	5,265,000 TRY	2,309,348
9.00%, 3/5/14	16,685,000 TRY	7,792,959
9.00%, 3/8/17	8,595,000 TRY	3,897,147
		32,817,444
Ukraine—0.3%		
Ukraine International Bonds:		
6.25%, 6/17/16 ¹	95,000	89,633
6.58%, 11/21/16 ¹	2,035,000	1,917,987
6.75%, 11/14/17 ¹	2,035,000	1,882,375
6.875%, 9/23/15 ¹	2,210,000	2,158,618
7.75%, 9/23/20 ¹	485,000	449,838
		6,498,451
United Arab Emirates—0.1%		
Emirate of Dubai Sr. Unsec. International Bonds, 5.591%, 6/22/21	1,810,000	1,961,588
United Kingdom—0.5%		
United Kingdom Treasury Unsec. Bonds, 2.25%, 3/7/14	7,705,000 GBP	12,802,207
Uruguay—0.1%		
Oriental Republic of Uruguay Sr. Unsec. Bonds:		
4.50%, 8/14/24	2,675,000	2,681,688
7.625%, 3/21/36	175,000	213,062
		2,894,750
Venezuela—0.4%		
Bolivarian Republic of Venezuela Sr. Unsec. Bonds:		
7.65%, 4/21/25	1,680,000	1,142,400
8.25%, 10/13/24	1,730,000	1,226,570
9.00%, 5/7/23	2,340,000	1,752,660
13.625%, 8/15/18	355,000	351,450
13.625%, 8/15/18 ¹	2,265,000	2,185,725
Petroleos de Venezuela SA, 9.75% Sr. Unsec. Nts., 5/17/35	1,140,000	803,700
		7,462,505
Total Foreign Government Obligations (Cost \$607,312,892)		585,663,511
Corporate Loans—2.4%		
Affinion Group, Inc., Sr. Sec. Credit Facilities		
1st Lien Term Loan, Tranche B, 6.50%, 10/9/16	1,242,474	1,227,131
Atlas Energy LP, Sr. Sec. Credit Facilities 1st Lien Term Loan, Tranche B, 6.50%, 7/31/19	1,062,338	1,091,552
Autoparts Holdings Ltd., Sr. Sec. Credit Facilities 1st Lien Term Loan, 6.50%, 7/31/17	1,022,936	1,016,969
BJ'S Wholesale Club, Inc., Sr. Sec. Credit Facilities 2nd Lien Term Loan, 8.50%, 3/26/20	1,775,000	1,815,255

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	Principal Amount	Value
Corporate Loans Continued		
Blue Coat Systems, Inc., Sr. Sec. Credit Facilities 2nd Lien Term Loan, 9.50%, 6/26/20	\$ 895,000	\$ 912,900
Brock Holdings III, Inc., Sr. Sec. Credit Facilities 2nd Lien Term Loan, 10%, 3/16/18	775,000	789,531
Caesars Entertainment Operating Co., Inc., Sr. Sec. Credit Facilities 1st Lien Term Loan:		
Series Tranche B, 7.00%, 10/11/20	2,525,000	2,515,531
Series Tranche B6, 5.44%, 1/28/18	2,508,271	2,399,898
Catalent Pharma Solutions, Inc., Sr. Sec. Credit Facilities Term Loan, 6.50%, 12/31/17	1,265,000	1,283,975
Cenveo, Inc., Sr. Sec. Credit Facilities 1st Lien Term Loan, 6.25%, 2/13/17	1,635,394	1,647,659
Clear Channel Communications, Inc., Extended Sr. Sec. Credit Facilities 1st Lien Term Loan, Tranche D, 6.914%, 1/30/19	6,103,532	5,844,132
Clear Channel Communications, Inc., Sr. Sec. Credit Facilities 1st Lien Term Loan, Tranche B, 3.836%, 1/29/16	976,487	948,535
Continental Building, Sr. Sec. Credit Facilities 2nd Lien Term Loan, 8.50%, 2/26/21 ⁷	680,000	684,534
Del Monte Foods Co., Inc., Sr. Sec. Credit Facilities 2nd Lien Term Loan, 8.25%, 7/26/21 ⁷	1,360,000	1,377,567
Deltek, Inc., Sr. Sec. Credit Facilities 2nd Lien Term Loan, 10%, 10/10/19	2,050,000	2,091,000
Entegra Holdings LLC, Sr. Sec. Credit Facilities Term Loan, Tranche B, 3.64%, 10/19/15 ⁷	6,504,358	4,032,702
Fairpoint Communications, Inc., Sr. Sec. Credit Facilities 1st Lien Term Loan, Tranche B, 7.50%, 2/14/19 ⁷	1,810,486	1,871,568
Fieldwood Energy LLC, Sr. Sec. Credit Facilities 2nd Lien Term Loan, 8.375%, 9/30/20	3,000,000	3,069,642
iStar Financial, Inc., Sr. Sec. Credit Facilities 1st Lien Term Loan, Tranche A2, 7%, 3/19/17	1,004,129	1,039,273
JG Wentworth, Sr. Sec. Credit Facilities 1st Lien Term Loan, Tranche B, 9%, 2/8/19	303,256	309,275
Lonestar Intermediate Super Holdings LLC, Sr. Sec. Credit Facilities Term Loan, 11%, 9/2/19	1,555,000	1,609,425
Moxie Patriot LLC, Sr. Sec. Credit Facilities 1st Lien Term Loan, Tranche B1, 6.75%, 12/11/20 ⁷	1,370,000	1,404,250
Murray Energy Corp., Sr. Sec. Credit Facilities 2nd Lien Term Loan, 9.50%, 11/20/20 ⁷	2,110,000	2,249,788
NFR Energy, Sr. Sec. Credit Facilities 2nd Lien Term Loan, 8.75%, 12/31/18	1,945,000	1,965,261
NTELOS, Inc., Sr. Sec. Credit Facilities 1st Lien Term Loan, Tranche B, 5.75%, 11/9/19	1,209,687	1,215,751
Nuveen Investments, Inc., Sr. Sec. Credit Facilities 2nd Lien Term Loan, 6.50%, 2/28/19	2,475,000	2,454,118
OneLink Communications/San Juan Cable LLC, Sr. Sec. Credit Facilities 2nd Lien Term Loan, 10%, 6/9/18	1,885,000	1,889,713
Quicksilver Resources, Inc., Sr. Sec. Credit Facilities 2nd Lien Term Loan, 7%, 6/21/19 ⁷	3,135,000	3,111,487
Revel Entertainment, Inc., Sr. Sec. Credit Facilities 1st Lien Term Loan, 14.573%, 5/20/18	1,389,589	1,264,526
Templar Energy, Sr. Sec. Credit Facilities 2nd Lien Term Loan, 8%, 11/25/20 ⁷	3,095,000	3,112,409

Continued

	Principal Amount	Value
Corporate Loans Continued		
TWCC Holding Corp., Sr. Sec. Credit Facilities 2nd Lien Term Loan, 7%, 6/26/20	\$ 2,430,000	\$ 2,502,900
Total Corporate Loans (Cost \$58,437,076)		58,748,257
Corporate Bonds and Notes—37.0%		
Consumer Discretionary—5.2%		
Auto Components—0.7%		
Affinia Group, Inc., 7.75% Sr. Unsec. Nts., 5/1/21	1,735,000	1,830,425
Continental Rubber of America Corp., 4.50% Sr. Sec. Nts., 9/15/19 ¹	510,000	542,738
GKN Holdings plc, 6.75% Sr. Unsec. Nts., 10/28/19	775,000 GBP	1,454,215
Goodyear Tire & Rubber Co., 8.25% Sr. Unsec. Nts., 8/15/20	3,385,000	3,799,662
Lear Corp., 4.75% Sr. Unsec. Nts., 1/15/23 ¹	1,710,000	1,611,675
Servus Luxembourg Holding SCA, 7.75% Sr. Sec. Nts., 6/15/18 ¹	2,025,000 EUR	2,944,583
Visteon Corp., 6.75% Sr. Unsec. Nts., 4/15/19	3,163,000	3,376,502
		15,559,800
Automobiles—0.3%		
Daimler Finance North America LLC, 2.375% Sr. Unsec. Nts., 8/1/18 ¹	1,375,000	1,372,755
Ford Motor Co., 7.45% Sr. Unsec. Nts., 7/16/31	1,025,000	1,255,491
Jaguar Land Rover Automotive plc:		
5.625% Sr. Unsec. Nts., 2/1/23 ¹	1,295,000	1,301,475
7.75% Sr. Unsec. Nts., 5/15/18 ¹	500,000	540,625
8.25% Sr. Unsec. Nts., 3/15/20 ¹	245,000 GBP	462,254
		4,932,600
Diversified Consumer Services—0.2%		
Monitronics International, Inc., 9.125% Sr. Unsec. Nts., 4/1/20	2,865,000	3,051,225
ServiceMaster Co., 8% Sr. Unsec. Nts., 2/15/20	1,565,000	1,604,125
		4,655,350
Hotels, Restaurants & Leisure—1.1%		
ARAMARK Corp., 5.75% Sr. Unsec. Nts., 3/15/20 ¹	2,890,000	3,034,500
Boyd Gaming Corp., 9.125% Sr. Unsec. Nts., 12/1/18	2,295,000	2,507,287
Burger King Corp., 9.875% Sr. Unsec. Nts., 10/15/18	1,105,000	1,232,075
Churchill Downs, Inc., 5.375% Sr. Unsec. Nts., 12/15/21 ¹	1,130,000	1,152,600
HOA Restaurant Group LLC/HOA Finance Corp., 11.25% Sec. Nts., 4/1/17 ¹	1,861,000	1,972,660
Isle of Capri Casinos, Inc., 7.75% Sr. Unsec. Nts., 3/15/19	2,290,000	2,490,375
Landry's, Inc., 9.375% Sr. Nts., 5/1/20 ¹	2,290,000	2,507,550
MCE Finance Ltd., 5% Sr. Unsec. Nts., 2/15/21 ¹	1,625,000	1,588,438
MGM Resorts International:		
6.625% Sr. Unsec. Nts., 12/15/21	1,595,000	1,688,706
6.75% Sr. Unsec. Nts., 10/1/20	1,515,000	1,624,838
MTR Gaming Group, Inc., 11.50% Sec. Nts., 8/1/19	1,170,825	1,306,933
PNK Finance Corp., 6.375% Sr. Unsec. Nts., 8/1/21 ¹	1,670,000	1,715,925
Premier Cruises Ltd., 11% Sr. Nts., 3/15/08 ^{3,8}	250,000	—
Sugarhouse HSP Gaming Prop Mezz LP/Sugarhouse HSP Gaming Finance Corp., 6.375% Sr. Sec. Nts., 6/1/21 ¹	1,250,000	1,212,500
Viking Cruises Ltd., 8.50% Unsec. Nts., 10/15/22 ¹	930,000	1,055,550
		25,089,937
Household Durables—0.2%		
Arcelik AS, 5% Sr. Unsec. Nts., 4/3/23 ¹	635,000	551,180

	Principal Amount	Value
Household Durables Continued		
Beazer Homes USA, Inc., 9.125% Sr. Unsec. Nts., 5/15/19	\$ 2,815,000	\$ 3,026,125
K Hovnanian Enterprises, Inc., 9.125% Sec. Nts., 11/15/20 ¹	1,790,000	1,973,475
Taylor Morrison Communities, Inc./Monarch Communities, Inc., 5.25% Sr. Unsec. Nts., 4/15/21 ¹	1,050,000	1,023,750
		6,574,530
Internet & Catalog Retail—0.1%		
Sabre, Inc., 8.50% Sr. Sec. Nts., 5/15/19 ¹	2,135,000	2,377,856
Media—1.6%		
Belo Corp., 7.75% Sr. Unsec. Nts., 6/1/27	3,132,000	3,390,390
CCO Holdings LLC/CCO Holdings Capital Corp., 5.75% Sr. Unsec. Nts., 9/1/23 ¹	1,620,000	1,543,050
Cumulus Media Holdings, Inc., 7.75% Sr. Unsec. Nts., 5/1/19	1,715,000	1,817,900
DISH DBS Corp., 6.75% Sr. Unsec. Nts., 6/1/21	835,000	889,275
7.875% Sr. Unsec. Nts., 9/1/19	2,135,000	2,449,912
DreamWorks Animation SKG, Inc., 6.875% Sr. Unsec. Nts., 8/15/20 ¹	1,260,000	1,338,750
Entercom Radio LLC, 10.50% Sr. Unsec. Nts., 12/1/19	1,125,000	1,279,687
Gannett Co., Inc., 5.125% Sr. Unsec. Nts., 7/15/20 ¹	1,070,000	1,088,725
Gray Television, Inc., 7.50% Sr. Unsec. Nts., 10/1/20	2,890,000	3,085,075
LIN Television Corp., 6.375% Sr. Unsec. Nts., 1/15/21	1,450,000	1,515,250
Myriad International Holdings BV, 6% Sr. Unsec. Nts., 7/18/20 ¹	730,000	784,750
Nexstar Broadcasting, Inc., 6.875% Sr. Unsec. Nts., 11/15/20	1,520,000	1,634,000
Sinclair Television Group, Inc., 5.375% Sr. Unsec. Nts., 4/1/21	1,235,000	1,222,650
6.125% Sr. Unsec. Nts., 10/1/22	2,410,000	2,446,150
Unitymedia Hessen GmbH & Co. KG/Unitymedia NRW GmbH, 7.50% Sr. Sec. Nts., 3/15/19 ¹	830,000	906,775
Univision Communications, Inc., 8.50% Sr. Unsec. Nts., 5/15/21 ¹	1,365,000	1,508,325
UPC Holding BV, 6.75% Sr. Unsec. Nts., 3/15/23 ¹	1,400,000 EUR	1,979,176
UPCB Finance V Ltd., 7.25% Sr. Sec. Nts., 11/15/21 ¹	2,215,000	2,414,350
UPCB Finance VI Ltd., 6.875% Sr. Sec. Nts., 1/15/22 ¹	2,765,000	2,951,637
Virgin Media Finance plc, 7% Sr. Unsec. Nts., 4/15/23 ¹	755,000 GBP	1,306,503
Virgin Media Secured Finance plc, 6% Sr. Sec. Nts., 4/15/21 ¹	410,000 GBP	700,666
		36,252,996
Multiline Retail—0.2%		
Burlington Coat Factory Warehouse Corp., 10% Sr. Unsec. Nts., 2/15/19	415,000	469,469
Burlington Holdings LLC/Burlington Holding Finance, Inc., 9% Sr. Unsec. Nts., 2/15/18 ^{1,12}	1,265,000	1,302,950
Neiman Marcus Group Ltd., Inc., 8.00% Sr. Unsec. Nts., 10/15/21 ¹	665,000	698,250
8.75% Sr. Unsec. Nts., 10/15/21 ^{1,12}	2,360,000	2,483,900
		4,954,569
Specialty Retail—0.7%		
BC Mountain LLC/BC Mountain Finance, Inc., 7% Sr. Unsec. Nts., 2/1/21 ¹	3,240,000	3,288,600
Claire's Stores, Inc., 7.75% Sr. Unsec. Nts., 6/1/20 ¹	1,780,000	1,664,300
8.875% Sr. Unsec. Nts., 3/15/19	1,555,000	1,609,425

	Principal Amount	Value
Specialty Retail Continued		
Hot Topic, Inc., 9.25% Sr. Sec. Nts., 6/15/21 ¹	2,785,000	2,931,213
Michaels FinCo Holdings LLC/Michaels FinCo, Inc., 7.50% Sr. Unsec. Nts., 8/1/18 ^{1,12}	\$ 2,530,000	\$ 2,643,850
Party City Holdings, Inc., 8.875% Sr. Unsec. Nts., 8/1/20	1,630,000	1,833,750
Stackpole International Intermediate/Stackpole International Powder/Stackpl, 7.75% Sr. Sec. Nts., 10/15/21 ¹	1,230,000	1,285,350
		15,256,488
Textiles, Apparel & Luxury Goods—0.1%		
Levi Strauss & Co., 7.75% Sr. Unsec. Nts., 5/15/18	145,000 EUR	212,442
Quiksilver, Inc./QS Wholesale, Inc., 7.875% Sr. Sec. Nts., 8/1/18 ¹	1,060,000	1,155,400
10.00% Sr. Unsec. Nts., 8/1/20	1,060,000	1,203,100
SIWF Merger Sub, Inc., 6.25% Sr. Sec. Nts., 6/1/21 ¹	1,250,000	1,264,063
		3,835,005
Consumer Staples—0.7%		
Beverages—0.0%		
Coca-Cola Icecek AS, 4.75% Sr. Unsec. Nts., 10/1/18 ¹	870,000	887,113
Pernod Ricard SA, 4.45% Sr. Unsec. Nts., 1/15/22 ¹	695,000	703,241
5.75% Sr. Unsec. Nts., 4/7/21 ¹	585,000	644,998
		2,235,352
Food & Staples Retailing—0.2%		
BI-LO LLC/BI-LO Finance Corp., 8.625% Sr. Unsec. Nts., 9/15/18 ^{1,12}	1,225,000	1,286,250
US Foods, Inc., 8.50% Sr. Unsec. Nts., 6/30/19	1,690,000	1,852,663
		3,138,913
Food Products—0.5%		
American Seafoods Group LLC/American Seafoods Finance, Inc., 10.75% Sr. Sub. Nts., 5/15/16 ¹	2,770,000	2,880,800
ASG Consolidated LLC/ASG Finance, Inc., 15% Sr. Nts., 5/15/17 ^{1,12}	2,794,730	2,438,402
BRF SA, 5.875% Sr. Unsec. Nts., 6/6/22 ¹	280,000	280,140
Bumble Bee Holdings, Inc., 9% Sr. Sec. Nts., 12/15/17 ¹	2,809,000	3,089,900
Chiquita Brands International, Inc./Chiquita Brands LLC, 7.875% Sr. Sec. Nts., 2/1/21 ¹	1,460,000	1,584,100
MHP SA, 8.25% Sr. Unsec. Nts., 4/2/20 ¹	1,830,000	1,633,641
Wells Enterprises, Inc., 6.75% Sr. Sec. Nts., 2/1/20 ¹	1,140,000	1,159,950
		13,066,933
Tobacco—0.0%		
Vector Group Ltd., 7.75% Sr. Sec. Nts., 2/15/21	1,145,000	1,216,563
Energy—6.3%		
Energy Equipment & Services—1.2%		
Drill Rigs Holdings, Inc., 6.50% Sr. Sec. Nts., 10/1/17 ¹	2,560,000	2,777,600
Eletson Holdings, 9.625% Sr. Sec. Nts., 1/15/22 ¹	1,245,000	1,282,350
Exterran Partners LP/EXLP Finance Corp., 6% Sr. Unsec. Nts., 4/1/21 ¹	1,525,000	1,521,188
Forbes Energy Services Ltd., 9% Sr. Unsec. Nts., 6/15/19	745,000	733,825
Hornbeck Offshore Services, Inc., 5.875% Sr. Unsec. Nts., 4/1/20	2,160,000	2,241,000
North Atlantic Drilling Ltd., 6.08% Sr. Unsec. Nts., 10/30/18 ^{1,2}	7,110,000 NOK	1,174,587

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Continued

	Principal Amount	Value
Energy Equipment & Services Continued		
Odebrecht Offshore Drilling Finance Ltd., 6.75% Sr. Sec. Nts., 10/1/22 ¹	\$ 1,821,510	\$ 1,868,869
Offshore Group Investment Ltd.: 7.125% Sr. Sec. Nts., 4/1/23	1,495,000	1,532,375
7.50% Sr. Sec. Nts., 11/1/19	2,120,000	2,316,100
Pacific Drilling SA, 5.375% Sr. Sec. Nts., 6/1/20 ¹	1,265,000	1,277,650
Precision Drilling Corp., 6.625% Sr. Unsec. Nts., 11/15/20	2,590,000	2,777,775
QGOG Constellation SA, 6.25% Sr. Unsec. Nts., 11/9/19 ¹	1,380,000	1,321,350
Seadrill Ltd., 5.625% Sr. Unsec. Nts., 9/15/17 ¹	1,455,000	1,513,200
Sinopec Group Overseas Development 2013 Ltd., 4.375% Sr. Unsec. Nts., 10/17/23 ¹	1,305,000	1,285,862
		23,623,731
Oil, Gas & Consumable Fuels—5.1%		
Access Midstream Partners LP/ACMP Finance Corp., 6.125% Sr. Unsec. Nts., 7/15/22	1,640,000	1,763,000
Afren plc, 6.625% Sr. Sec. Nts., 12/9/20 ¹	775,000	778,875
Alliance Oil Co. Ltd., 9.875% Sr. Unsec. Nts., 3/11/15 ¹	2,295,000	2,424,094
Alpha Natural Resources, Inc., 6% Sr. Unsec. Nts., 6/1/19	1,055,000	915,212
Antero Resources Finance Corp., 6% Sr. Unsec. Nts., 12/1/20	1,410,000	1,487,550
Arch Coal, Inc.: 7.25% Sr. Unsec. Nts., 6/15/21	1,065,000	820,050
8.00% Sec. Nts., 1/15/19 ¹	455,000	455,000
Atlas Pipeline Partners LP/Atlas Pipeline Finance Corp.: 5.875% Sr. Unsec. Nts., 8/1/23 ¹	1,280,000	1,225,600
6.625% Sr. Unsec. Nts., 10/1/20	1,435,000	1,506,750
Bill Barrett Corp., 7.625% Sr. Unsec. Nts., 10/1/19	2,355,000	2,543,400
BreitBurn Energy Partners LP/BreitBurn Finance Corp., 8.625% Sr. Unsec. Nts., 10/15/20	3,175,000	3,429,000
Chaparral Energy, Inc., 9.875% Sr. Unsec. Nts., 10/1/20	650,000	737,750
Chesapeake Energy Corp., 5.75% Sr. Unsec. Nts., 3/15/23	1,425,000	1,474,875
Cimarex Energy Co., 5.875% Sr. Unsec. Unsub. Nts., 5/1/22	1,700,000	1,810,500
Cloud Peak Energy Resources LLC/Cloud Peak Energy Finance Corp., 8.50% Sr. Unsec. Nts., 12/15/19	485,000	528,650
CNOOC Curtis Funding No 1 Pty Ltd., 4.50% Sr. Unsec. Nts., 10/3/23 ¹	1,280,000	1,270,816
Crestwood Midstream Partners LP/Crestwood Midstream Finance Corp.: 6.00% Sr. Unsec. Nts., 12/15/20	495,000	512,325
6.125% Sr. Unsec. Nts., 3/1/22 ¹	1,510,000	1,555,300
Denbury Resources, Inc., 4.625% Sr. Sub. Nts., 7/15/23	1,040,000	943,800
Ecopetrol SA, 7.625% Sr. Unsec. Nts., 7/23/19	315,000	374,850
Empresa Nacional del Petroleo: 4.75% Sr. Unsec. Nts., 12/6/21 ¹	1,215,000	1,212,619
5.25% Sr. Unsec. Nts., 8/10/20 ¹	690,000	713,708
EP Energy LLC/Everest Acquisition Finance, Inc., 7.75% Sr. Unsec. Nts., 9/1/22	2,450,000	2,756,250
Gazprom Neft OAO Via GPN Capital SA, 6% Sr. Unsec. Nts., 11/27/23 ¹	2,690,000	2,743,800
Gazprom OAO Via Gaz Capital SA: 4.95% Sr. Unsec. Nts., 7/19/22 ¹	4,930,000	4,794,425
5.999% Sr. Unsec. Nts., 1/23/21 ¹	580,000	614,800
8.146% Sr. Unsec. Nts., 4/11/18 ¹	1,950,000	2,305,875
9.25% Sr. Unsec. Nts., 4/23/19 ¹	3,680,000	4,544,800

	Principal Amount	Value
Oil, Gas & Consumable Fuels Continued		
Genesis Energy LP/Genesis Energy Finance Corp., 5.75% Sr. Unsec. Nts., 2/15/21	\$ 1,480,000	\$ 1,504,050
Halcon Resources Corp.: 8.875% Sr. Unsec. Nts., 5/15/21	2,310,000	2,344,650
9.75% Sr. Unsec. Nts., 7/15/20 ¹	605,000	632,981
Hiland Partners LP/Hiland Partners Finance Corp., 7.25% Sr. Unsec. Nts., 10/1/20 ¹	1,430,000	1,540,825
KazMunayGas National Co. JSC: 7.00% Sr. Unsec. Nts., 5/5/20 ¹	345,000	388,987
9.125% Sr. Unsec. Nts., 7/2/18 ¹	905,000	1,100,706
Kodiak Oil & Gas Corp., 5.50% Sr. Unsec. Nts., 1/15/21	1,275,000	1,278,188
LBC Tank Terminals Holding Netherlands BV, 6.875% Sr. Unsec. Nts., 5/15/23 ³	630,000	654,413
Lightstream Resources Ltd., 8.625% Sr. Unsec. Nts., 2/1/20 ¹	905,000	918,575
Linn Energy LLC/Linn Energy Finance Corp., 8.625% Sr. Unsec. Nts., 4/15/20	4,250,000	4,611,250
Lukoil International Finance BV, 7.25% Sr. Unsec. Nts., 11/5/19 ¹	590,000	684,400
MEG Energy Corp.: 6.50% Sr. Unsec. Nts., 3/15/21 ¹	6,150,000	6,503,625
7.00% Sr. Unsec. Nts., 3/31/24 ¹	890,000	903,350
Memorial Production Partners LP/Memorial Production Finance Corp.: 7.625% Sr. Unsec. Nts., 5/1/21	740,000	764,050
7.625% Sr. Unsec. Nts., 5/1/21 ¹	685,000	707,263
Midstates Petroleum Co., Inc./Midstates Petroleum Co. LLC, 9.25% Sr. Unsec. Nts., 6/1/21	685,000	719,250
Murray Energy Corp., 8.625% Sr. Sec. Nts., 6/15/21 ¹	635,000	660,400
Navios Maritime Acquisition Corp./Navios Acquisition Finance US, Inc., 8.125% Sr. Sec. Nts., 11/15/21 ¹	1,245,000	1,276,125
Novatek OAO via Novatek Finance Ltd.: 4.422% Sr. Unsec. Nts., 12/13/22 ¹	3,350,000	3,090,375
7.75% Sr. Unsec. Nts., 2/21/17 ¹	20,260,000 RUB	618,746
Oasis Petroleum, Inc., 6.875% Sr. Unsec. Nts., 1/15/23	1,110,000	1,187,700
Odebrecht Drilling Norbe VIII/IX Ltd., 6.35% Sr. Sec. Nts., 6/30/21 ¹	229,500	236,385
Origin Energy Finance Ltd., 3.50% Sr. Unsec. Nts., 10/9/18 ¹	1,505,000	1,513,318
Pacific Rubiales Energy Corp.: 5.125% Sr. Unsec. Nts., 3/28/23 ¹	1,295,000	1,194,638
5.375% Sr. Unsec. Nts., 1/26/19 ¹	1,285,000	1,297,850
Pemex Project Funding Master Trust, 6.625% Sr. Unsec. Nts., 6/15/33	1,270,000	1,343,025
Pertamina Persero PT, 4.875% Sr. Unsec. Nts., 5/3/22 ¹	1,295,000	1,191,400
Petroleos de Venezuela SA: 5.125% Sr. Unsec. Nts., 10/28/16	1,010,000	777,700
8.50% Sr. Unsec. Nts., 11/2/17 ¹	5,830,000	4,868,050
Petroleos Mexicanos: 1.95% Sr. Unsec. Nts., 12/20/22	166,500	163,753
2.00% Sec. Nts., 12/20/22	823,500	811,743
3.50% Sr. Unsec. Nts., 1/30/23	2,940,000	2,701,125
4.875% Sr. Unsec. Nts., 1/18/24	3,940,000	3,949,850
5.50% Sr. Unsec. Nts., 6/27/44	185,000	169,737
6.00% Sr. Unsec. Nts., 3/5/20	3,635,000	4,056,660
6.50% Sr. Unsec. Nts., 6/2/41	1,475,000	1,548,750
8.00% Sr. Unsec. Nts., 5/3/19	965,000	1,172,475
Petroleum Co. of Trinidad & Tobago Ltd.: 6.00% Sr. Unsec. Nts., 5/8/22 ¹	368,333	392,275
9.75% Sr. Unsec. Nts., 8/14/19 ¹	515,000	648,900
Petronas Capital Ltd., 7.875% Sr. Unsec. Nts., 5/22/22 ¹	1,255,000	1,586,769

Oil, Gas & Consumable Fuels Continued			
Range Resources Corp., 5% Sr. Sub. Nts., 8/15/22	\$ 995,000	\$	982,562
Reliance Industries Ltd., 5.875% Sr. Unsec. Perpetual Bonds ^{1,13}	680,000		581,400
Rentech Nitrogen Partners LP/Rentech Nitrogen Finance Corp., 6.50% Sec. Nts., 4/15/21 ¹	1,555,000		1,508,350
Rosetta Resources, Inc., 5.625% Sr. Unsec. Nts., 5/1/21	1,525,000		1,528,813
Sabine Pass Liquefaction LLC, 5.625% Sr. Sec. Nts., 2/1/21 ¹	1,230,000		1,208,475
Samson Investment Co., 10.50% Sr. Unsec. Nts., 2/15/20 ¹	2,740,000		3,000,300
Sanchez Energy Corp., 7.75% Sr. Unsec. Nts., 6/15/21 ¹	1,440,000		1,479,600
SandRidge Energy, Inc.: 7.50% Sr. Unsec. Nts., 3/15/21 7.50% Sr. Unsec. Nts., 2/15/23	1,160,000 1,185,000		1,220,900 1,208,700
Schahin II Finance Co. SPV Ltd., 5.875% Sr. Sec. Nts., 9/25/22 ¹	1,609,440		1,541,039
Sibur Securities Ltd., 3.914% Sr. Unsec. Nts., 1/31/18 ¹	1,470,000		1,442,438
SM Energy Co., 6.50% Sr. Unsec. Nts., 1/1/23	1,170,000		1,232,887
Tengizchevroil Finance Co. Sarl, 6.124% Sr. Sec. Nts., 11/15/14 ¹	281,959		288,179
Tesoro Logistics LP/Tesoro Logistics Finance Corp., 5.875% Sr. Unsec. Nts., 10/1/20	1,475,000		1,515,563
Tullow Oil plc, 6% Sr. Unsec. Nts., 11/1/20 ¹	1,151,000		1,174,020
Ultra Petroleum Corp., 5.75% Sr. Unsec. Nts., 12/15/18 ¹	1,130,000		1,163,900
			129,035,112
Financials—8.3%			
Capital Markets—1.2%			
American Capital Ltd., 6.50% Sr. Unsec. Nts., 9/15/18 ¹	1,315,000		1,377,463
Cantor Commercial Real Estate Co. LP/CCRE Finance Corp., 7.75% Sr. Unsec. Nts., 2/15/18 ¹	1,880,000		1,997,500
Deutsche Bank AG, 4.296% Jr. Sub. Nts., 5/24/28 ²	670,000		606,779
Deutsche Bank Capital Trust V, 4.901% Jr. Sub. Perpetual Bonds ^{1,2,13}	610,000		557,387
Goldman Sachs Group, Inc. (The), 0.789% Sr. Unsec. Nts., 2/8/37 ²	1,059,000		855,104
KION Finance SA, 6.75% Sr. Sec. Nts., 2/15/20 ¹	795,000 EUR		1,197,855
Nationstar Mortgage LLC/Nationstar Capital Corp.: 6.50% Sr. Unsec. Nts., 8/1/18 7.875% Sr. Unsec. Nts., 10/1/20 10.875% Sr. Unsec. Nts., 4/1/15	430,000 1,655,000 1,295,000		439,675 1,725,338 1,327,375
Nuveen Investments, Inc., 9.50% Sr. Unsec. Nts., 10/15/20 ¹	1,215,000		1,224,112
Prospect Medical Holdings, Inc., 8.375% Sr. Sec. Nts., 5/1/19 ¹	1,100,000		1,185,250
Red de Carreteras de Occidente SAPIB de CV, 9% Sr. Sec. Nts., 6/10/28 ¹	23,700,000 MXN		1,642,796
Springleaf Finance Corp., 6.90% Sr. Unsec. Nts., 12/15/17	1,995,000		2,190,510
Tomkins LLC/Tomkins, Inc., 9% Sec. Nts., 10/1/18	1,473,000		1,620,300
UBS AG (Jersey Branch): 4.28% Jr. Sub. Perpetual Bonds ^{2,13} 7.152% Jr. Sub. Perpetual Bonds ^{2,13} 7.25% Sub. Nts., 2/22/22 ²	195,000 EUR 125,000 EUR 2,905,000		270,944 190,882 3,191,706
US Coatings Acquisition, Inc./Axalta Coating Systems Dutch Holding B BV, 7.375% Sr. Unsec. Nts., 5/1/21 ¹	1,675,000		1,794,344
Verso Paper Holdings LLC/Verso Paper, Inc., 11.75% Sr. Sec. Nts., 1/15/19	2,350,000		2,502,750

	Principal Amount	Value
Capital Markets Continued		
Walter Investment Management Corp., 7.875% Sr. Unsec. Nts., 12/15/21 ¹	\$ 3,400,000	\$ 3,459,500
		29,357,570
Commercial Banks—4.0%		
Akbank TAS, 7.50% Sr. Unsec. Nts., 2/5/18 ¹	4,310,000 TRY	1,726,722
Alfa Bank OJSC Via Alfa Bond Issuance plc, 7.875% Sr. Unsec. Nts., 9/25/17 ¹	1,720,000	1,917,800
Banco ABC Brasil SA, 8.50% Sr. Unsec. Nts., 3/28/16 ¹	1,080,000 BRL	418,862
Banco Bilbao Vizcaya Argentaria SA, 9% Jr. Perpetual Bonds ^{2,13}	50,000	53,843
Banco BMG SA: 8.875% Sub. Nts., 8/5/20 ¹ 9.15% Sr. Unsec. Nts., 1/15/16 ¹ 9.95% Sub. Nts., 11/5/19 ¹	365,000 978,000 1,395,000	354,050 1,000,005 1,405,462
Banco de Costa Rica, 5.25% Sr. Unsec. Nts., 8/12/18 ¹	1,340,000	1,336,650
Banco del Estado de Chile: 3.875% Sr. Unsec. Nts., 2/8/22 ¹ 4.125% Sr. Unsec. Nts., 10/7/20 ¹	890,000 1,305,000	871,978 1,330,603
Banco do Brasil SA (Cayman), 9.25% Jr. Sub. Perpetual Bonds ^{1,2,13}	2,105,000	2,178,675
Banco do Estado do Rio Grande do Sul SA, 7.375% Sub. Nts., 2/2/22 ¹	4,210,000	4,178,425
Banco Santander Brasil SA (Cayman Islands), 8% Sr. Unsec. Unsub. Nts., 3/18/16 ¹	1,850,000 BRL	733,178
Banco Santander Mexico SA Institucion de Banca Multiple Grupo Financiero Santand, 5.95% Jr. Sub. Nts., 1/30/24 ^{1,2}	1,320,000	1,339,800
Bancolombia SA, 5.125% Unsec. Sub. Nts., 9/11/22	1,850,000	1,748,250
Barclays Bank plc: 4.75% Jr. Sub. Perpetual Bonds ^{2,13} 6.00% Jr. Sub. Perpetual Bonds ^{2,13} 14.00% Jr. Sub. Perpetual Bonds ^{2,13}	400,000 EUR 1,940,000 GBP 250,000 GBP	471,023 3,027,822 552,748
Barclays plc, 8.25% Jr. Sub. Perpetual Bonds ^{2,13}	400,000	413,750
BBVA Banco Continental SA, 5% Sr. Unsec. Nts., 8/26/22 ¹	1,125,000	1,127,812
BNP Paribas SA: 5.945% Jr. Sub. Perpetual Bonds ^{2,13} 7.195% Jr. Sub. Perpetual Bonds ^{1,2,13}	1,890,000 GBP 400,000	3,231,475 415,000
BPCE SA: 5.25% Jr. Sub. Perpetual Bonds ^{2,13} 5.70% Sub. Nts., 10/22/23 ¹ 9.00% Jr. Sub. Perpetual Bonds ^{2,13}	955,000 EUR 965,000 2,090,000 EUR	1,330,215 996,150 3,058,413
CIT Group, Inc.: 4.25% Sr. Unsec. Nts., 8/15/17 5.00% Sr. Unsec. Nts., 8/15/22	405,000 1,740,000	423,225 1,703,744
Commerzbank AG, 8.125% Sub. Nts., 9/19/23 ¹	2,785,000	3,084,388
Corp. Financiera de Desarrollo SA, 4.75% Sr. Unsec. Nts., 2/8/22 ¹	1,275,000	1,265,437
CorpGroup Banking SA, 6.75% Sr. Unsec. Nts., 3/15/23 ¹	1,725,000	1,671,989
Credit Agricole SA: 6.637% Jr. Sub. Perpetual Bonds ^{1,2,13} 8.375% Jr. Sub. Perpetual Bonds ^{1,2,13}	3,480,000 2,850,000	3,497,257 3,249,000
Danske Bank, 5.684% Jr. Sub. Perpetual Bonds ^{2,13}	1,790,000 GBP	3,023,433
EUROFIMA, 6.25% Sr. Unsec. Nts., 12/28/18	935,000 AUD	909,219
European Investment Bank: 6.00% Sr. Unsec. Nts., 8/6/20 6.50% Sr. Unsec. Nts., 8/7/19	465,000 AUD 565,000 AUD	445,578 556,869
Export-Import Bank of India, 4% Sr. Unsec. Nts., 1/14/23	460,000	401,957

CONSOLIDATED STATEMENT OF INVESTMENTS

Continued

	Principal Amount	Value
Commercial Banks Continued		
Grupo Aval Ltd.:		
4.75% Sr. Unsec. Nts., 9/26/22 ¹	\$ 1,525,000	\$ 1,410,625
5.25% Sr. Unsec. Nts., 2/1/17 ¹	430,000	455,370
HBOS Capital Funding LP, 6.461% Jr. Sub. Perpetual Bonds ^{2,13}	\$295,000 GBP	501,939
Hungarian Development Bank, 6.25% Sr. Unsec. Nts., 10/21/20 ¹	975,000	1,007,906
ICICI Bank Ltd., 6.375% Jr. Sub. Nts., 4/30/22 ^{1,2}	945,000	914,287
ICICI Bank Ltd. (Dubai), 4.80% Sr. Unsec. Nts., 5/22/19 ¹	1,340,000	1,351,643
Intesa Sanpaolo SpA, 3.875% Sr. Unsec. Nts., 1/15/19	530,000	527,255
LBG Capital No.1 plc:		
6.439% Sub. Nts., 5/23/20	1,945,000 EUR	2,836,168
7.869% Sub. Nts., 8/25/20	265,000 GBP	468,886
11.04% Sub. Nts., 3/19/20	2,316,000 GBP	4,418,538
Rabobank Capital Funding Trust IV, 5.556% Jr. Sub. Perpetual Bonds ^{1,2,13}	375,000 GBP	639,678
RBS Capital Trust III, 5.512% Jr. Sub. Perpetual Bonds ^{2,13}	3,120,000	3,057,600
Royal Bank of Scotland Group plc, 6% Sub. Nts., 12/19/23	2,770,000	2,793,185
Royal Bank of Scotland NV:		
3.372% Sub. Nts., 5/17/18 ²	275,000 AUD	221,498
3.372% Sub. Nts., 5/17/18 ²	340,000 AUD	273,853
Royal Bank of Scotland plc (The):		
2.375% Sub. Nts., 11/2/15	85,000 CHF	96,371
13.125% Sub. Nts., 3/19/22 ²	965,000 AUD	1,016,320
Santander UK plc, 5% Sub. Nts., 11/7/23 ¹	1,490,000	1,496,058
Sberbank of Russia Via SB Capital SA:		
5.125% Sub. Nts., 10/29/22 ¹	1,365,000	1,310,400
5.40% Sr. Unsec. Nts., 3/24/17	790,000	848,420
6.125% Sr. Unsec. Nts., 2/7/22 ¹	2,100,000	2,220,750
Scottish Widows plc, 5.125% Jr. Sub. Perpetual Bonds ^{2,13}	500,000 GBP	832,214
Skandinaviska Enskilda Banken AB, 2.375% Sr. Unsec. Nts., 11/20/18 ¹	1,410,000	1,404,205
Societe Generale SA, 5.922% Jr. Sub. Perpetual Bonds ^{1,2,13}	2,865,000	3,007,230
Stadshypotek AB, 6% Sec. Nts., 6/21/17	5,385,000 SEK	951,765
Standard Chartered plc, 5.20% Sub. Nts., 1/26/24 ¹	260,000	259,569
Toronto-Dominion Bank (The), 2.625% Sr. Unsec. Nts., 9/10/18	1,395,000	1,423,572
Türkiye İs Bankası AS:		
5.50% Sr. Unsec. Nts., 4/21/19 ¹	875,000	869,925
6.00% Sub. Nts., 10/24/22 ¹	1,525,000	1,375,550
7.244% Unsec. Nts., 1/29/14 ⁹	11,800,000 TRY	5,455,015
Türkiye Sise ve Cam Fabrikaları AS, 4.25% Sr. Unsec. Nts., 5/9/20 ¹	595,000	526,516
Türkiye Vakıflar Bankası Tao:		
3.75% Sr. Unsec. Nts., 4/15/18 ¹	2,025,000	1,906,538
5.00% Sr. Unsec. Nts., 10/31/18 ¹	620,000	606,360
VTB Bank OJSC Via VTB Capital SA, 6% Sr. Unsec. Nts., 4/12/17 ¹	900,000	958,500
Yapi ve Kredi Bankası AS:		
5.50% Unsec. Sub. Nts., 12/6/22 ¹	2,005,000	1,699,037
6.75% Sr. Unsec. Nts., 2/8/17 ¹	1,245,000	1,311,047
		105,904,600
Consumer Finance—0.6%		
Ahern Rentals, Inc., 9.50% Sec. Nts., 6/15/18 ¹	1,460,000	1,587,750
Ally Financial, Inc., 7.50% Sr. Unsec. Nts., 9/15/20	1,405,000	1,642,094
Astana Finance JSC, 9.16% Sr. Unsec. Nts., 12/31/49 ⁸	7,200,000	441,000
Cash America International, Inc., 5.75% Sr. Unsec. Nts., 5/15/18 ¹	2,920,000	2,788,600

	Principal Amount	Value
Consumer Finance Continued		
Milestone Aviation Group Ltd. (The), 8.625% Sr. Unsec. Nts., 12/15/17 ¹	\$ 1,380,000	\$ 1,480,050
SLM Corp., 7.25% Sr. Unsec. Nts., 1/25/22	1,130,000	1,200,625
Speedy Cash Intermediate Holdings Corp., 10.75% Sec. Nts., 5/15/18 ¹	1,930,000	2,040,975
TMX Finance LLC/TitleMax Finance Corp., 8.50% Sr. Sec. Nts., 9/15/18 ¹	1,910,000	2,043,700
		13,224,794
Diversified Financial Services—1.3%		
ABN AMRO Bank NV, 4.31% Jr. Sub. Perpetual Bonds ^{2,13}	3,690,000 EUR	5,074,003
AG Spring Finance II Ltd., 9.50% Sr. Sec. Nts., 6/1/19 ¹	455,000 EUR	650,355
AG Spring Finance Ltd., 7.50% Sr. Sec. Nts., 6/1/18 ¹	345,000 EUR	495,974
Autopistas del Nordeste Cayman Ltd., 9.39% Unsec. Nts., 4/15/24 ¹	2,422,437	2,465,389
AyT Cédulas Cajas X Fondo de Titulización, 3.75% Sec. Nts., 6/30/25	140,000 EUR	169,856
Baggot Securities Ltd., 10.24% Sec. Perpetual Bonds ^{1,13}	355,000 EUR	514,868
Banco BTG Pactual SA (Cayman Islands):		
4.00% Sr. Unsec. Nts., 1/16/20 ¹	2,380,000	2,085,475
5.75% Sub. Nts., 9/28/22 ¹	1,205,000	1,048,350
Banco Invex SA, 6.45% Mtg.-Backed Certificates, Series 062U, 6.45%, 3/13/34 ^{8,11}	4,830,531 MXN	64,680
Brazil Loan Trust 1, 5.477% Sec. Nts., 7/24/23 ¹	1,395,000	1,398,488
Capsugel SA, 7% Sr. Unsec. Nts., 5/15/19 ^{1,12}	1,500,000	1,530,938
Cédulas TDA 6 Fondo de Titulización de Activos, 3.875% Sec. Nts., 5/23/25	140,000 EUR	172,279
Chinos Intermediate Holdings A, Inc., 7.75% Sr. Unsec. Nts., 5/1/19 ^{1,12}	2,140,000	2,193,500
CNG Holdings, Inc., 9.375% Sr. Sec. Nts., 5/15/20 ¹	200,000	185,000
Export Credit Bank of Turkey, 5.875% Sr. Unsec. Nts., 4/24/19 ¹	3,240,000	3,289,410
FTE Verwaltungen GmbH, 9% Sr. Sec. Nts., 7/15/20 ¹	715,000 EUR	1,082,603
ING Verzekeringen NV, 6.375% Sub. Nts., 5/7/27 ²	2,055,000 EUR	3,036,196
Jefferies Finance LLC/JFIN Co.-Issuer Corp., 7.375% Sr. Unsec. Nts., 4/1/20 ¹	1,715,000	1,792,175
Jefferies LoanCore LLC/JLC Finance Corp., 6.875% Sr. Unsec. Nts., 6/1/20 ¹	1,685,000	1,676,575
JPMorgan Hipotecaria su Casita:		
6.10% Sec. Nts., 9/25/35 ¹¹	1,226,554 MXN	133,893
6.47% Sec. Nts., 8/26/35 ^{3,11}	5,808,600 MXN	42,264
Magyar Export-Import Bank RT, 5.50% Sr. Unsec. Nts., 2/12/18 ¹	1,330,000	1,377,388
National Savings Bank, 8.875% Sr. Unsec. Nts., 9/18/18 ¹	735,000	785,531
Opal Acquisition, Inc., 8.875% Sr. Unsec. Nts., 12/15/21 ¹	610,000	609,238
SPCM SA, 5.50% Sr. Sec. Nts., 6/15/20 ¹	295,000 EUR	442,356
Spencer Spirit Holdings, Inc., 9% Sr. Unsec. Nts., 5/1/18 ^{1,12}	1,685,000	1,722,913
		34,039,697
Insurance—0.4%		
Assicurazioni Generali SpA, 7.75% Sr. Sub. Nts., 12/12/42 ²	55,000 EUR	87,202
Aviva plc:		
5.902% Jr. Sub. Perpetual Bonds ^{2,13}	1,880,000 GBP	3,152,101
6.125% Jr. Sub. Perpetual Bonds ^{2,13}	1,545,000 GBP	2,636,475
AXA SA, 6.379% Jr. Sub. Perpetual Bonds ^{1,2,13}	530,000	520,725
Hockey Merger Sub 2, Inc., 7.875% Sr. Unsec. Nts., 10/1/21 ¹	1,505,000	1,553,913

	Principal Amount	Value
Insurance Continued		
Patriot Merger Corp., 9% Sr. Unsec. Nts., 7/15/21 ¹	\$ 850,000	\$ 896,750
Swiss Re Capital I LP, 6.854% Jr. Sub. Perpetual Bonds ^{1,2,13}	2,768,000	2,939,616
Swiss Reinsurance Co. via ELM BV:		
3.775% Jr. Sub. Perpetual Bonds ^{2,13}	225,000 AUD	188,516
7.635% Jr. Sub. Perpetual Bonds ^{2,13}	55,000 AUD	50,855
		12,026,153
Real Estate Investment Trusts (REITs)—0.4%		
DuPont Fabros Technology LP, 5.875% Sr. Unsec. Nts., 9/15/21	1,535,000	1,592,563
Felcor Lodging LP, 6.75% Sr. Sec. Nts., 6/1/19	1,175,000	1,257,250
Geo Group, Inc. (The), 5.125% Sr. Unsec. Nts., 4/1/23	1,615,000	1,501,950
iStar Financial, Inc., 4.875% Sr. Unsec. Nts., 7/1/18	1,160,000	1,161,450
Omega Healthcare Investors, Inc., 6.75% Sr. Unsec. Nts., 10/15/22	1,130,000	1,233,112
		6,746,325
Real Estate Management & Development—0.4%		
Country Garden Holdings Co. Ltd., 7.50% Sr. Unsec. Unsub. Nts., 1/10/23 ¹	2,255,000	2,170,437
Fondo MIVIVIENDA SA, 3.50% Sr. Unsec. Nts., 1/31/23 ¹	1,980,000	1,777,050
Realogy Group LLC:		
7.625% Sr. Sec. Nts., 1/15/20 ¹	1,330,000	1,499,575
9.00% Sr. Sec. Nts., 1/15/20 ¹	865,000	1,012,050
Techem GmbH, 6.125% Sr. Sec. Nts., 10/1/19 ¹	925,000 EUR	1,392,776
		7,851,888
Health Care—1.5%		
Biotechnology—0.1%		
Universal Hospital Services, Inc., 7.625% Sec. Nts., 8/15/20	1,570,000	1,664,200
Health Care Equipment & Supplies—0.4%		
Accellent, Inc., 10% Sr. Sub. Nts., 11/1/17	210,000	217,875
Alere, Inc., 6.50% Sr. Sub. Nts., 6/15/20	1,045,000	1,073,738
Biomet, Inc.:		
6.50% Sr. Unsec. Nts., 8/1/20	2,090,000	2,204,950
6.50% Sr. Unsec. Nts., 10/1/20	630,000	652,050
ConvaTec Healthcare D Sarl, 10.875% Sr. Unsec. Nts., 12/15/18 ¹	1,195,000 EUR	1,857,676
DJO Finance LLC/DJO Finance Corp., 8.75% Sec. Nts., 3/15/18	1,125,000	1,240,313
Hologic, Inc., 6.25% Sr. Unsec. Nts., 8/1/20	185,000	196,100
Kinetic Concepts, Inc./KCI USA, Inc., 10.50% Sec. Nts., 11/1/18	1,840,000	2,125,200
		9,567,902
Health Care Providers & Services—0.8%		
Acadia Healthcare Co., Inc., 6.125% Sr. Unsec. Nts., 3/15/21 ¹	440,000	453,200
CHS/Community Health Systems, Inc., 7.125% Sr. Unsec. Nts., 7/15/20	970,000	1,007,587
DaVita HealthCare Partners, Inc., 5.75% Sr. Unsec. Nts., 8/15/22	895,000	910,662
FGI Operating Co. LLC/FGI Finance, Inc., 7.875% Sec. Nts., 5/1/20	2,560,000	2,752,000
Fresenius Medical Care US Finance II, Inc.:		
5.625% Sr. Unsec. Nts., 7/31/19 ¹	805,000	873,425
5.875% Sr. Unsec. Nts., 1/31/22 ¹	405,000	429,300
Gentiva Health Services, Inc., 11.50% Sr. Unsec. Nts., 9/1/18	1,370,000	1,421,375
HCA, Inc., 7.50% Sr. Unsec. Nts., 2/15/22	2,695,000	2,964,500
Health Management Associates, Inc., 7.375% Sr. Unsec. Nts., 1/15/20	1,320,000	1,483,350
HealthSouth Corp., 7.75% Sr. Unsec. Nts., 9/15/22	761,000	837,100

	Principal Amount	Value
Health Care Providers & Services Continued		
IASIS Healthcare LLC/IASIS Capital Corp., 8.375% Sr. Unsec. Nts., 5/15/19	\$ 2,270,000	\$ 2,417,550
Kindred Healthcare, Inc., 8.25% Sr. Unsec. Nts., 6/1/19	1,885,000	2,016,950
LifePoint Hospitals, Inc., 5.50% Sr. Unsec. Nts., 12/1/21 ¹	3,070,000	3,089,188
MultiPlan, Inc., 9.875% Sr. Unsec. Nts., 9/1/18 ¹	1,390,000	1,535,950
Select Medical Corp., 6.375% Sr. Unsec. Nts., 6/1/21	1,055,000	1,036,538
Tenet Healthcare Corp., 6% Sr. Sec. Nts., 10/1/20 ¹	1,030,000	1,076,994
		24,305,669
Life Sciences Tools & Services—0.0%		
Jaguar Holding Co. II/Jaguar Merger Sub, Inc., 9.50% Sr. Unsec. Nts., 12/1/19 ¹	990,000	1,118,700
Pharmaceuticals—0.2%		
Forest Laboratories, Inc., 5% Sr. Unsec. Nts., 12/15/21 ¹	1,805,000	1,816,281
Salix Pharmaceuticals Ltd., 6% Sr. Unsec. Nts., 1/15/21 ¹	3,060,000	3,144,150
Valeant Pharmaceuticals International, 6.375% Sr. Unsec. Nts., 10/15/20 ¹	920,000	974,050
		5,934,481
Industrials—4.1%		
Aerospace & Defense—0.8%		
B/E Aerospace, Inc., 6.875% Sr. Unsec. Nts., 10/1/20	1,080,000	1,190,700
CBC Ammo LLC/CBC FinCo, Inc., 7.25% Sr. Unsec. Nts., 11/15/21 ¹	2,435,000	2,410,650
DynCorp International, Inc., 10.375% Sr. Unsec. Nts., 7/1/17	1,985,000	2,039,587
Erickson Air-Crane, Inc., 8.25% Sec. Nts., 5/1/20 ¹	3,057,000	3,179,280
GenCorp, Inc., 7.125% Sec. Nts., 3/15/21	3,445,000	3,703,375
Huntington Ingalls Industries, Inc., 7.125% Sr. Unsec. Unsub. Nts., 3/15/21	1,785,000	1,967,962
Kratos Defense & Security Solutions, Inc., 10% Sr. Sec. Nts., 6/1/17	1,137,000	1,232,224
Schaeffler Finance BV, 8.50% Sr. Sec. Nts., 2/15/19 ¹	1,940,000	2,192,200
TransDigm, Inc., 7.75% Sr. Sub. Nts., 12/15/18	1,125,000	1,212,187
Triumph Group, Inc., 8.625% Sr. Unsec. Nts., 7/15/18	650,000	705,250
		19,833,415
Air Freight & Couriers—0.1%		
Air Medical Group Holdings, Inc., 9.25% Sr. Sec. Nts., 11/1/18	897,000	973,245
SPL Logistics Escrow LLC/SPL Logistics Finance Corp., 8.875% Sr. Sec. Nts., 8/1/20 ¹	2,560,000	2,732,800
		3,706,045
Airlines—0.2%		
Air Canada, 6.75% Sr. Sec. Nts., 10/1/19 ¹	1,100,000	1,161,875
Emirates Airline, 4.50% Sr. Unsec. Nts., 2/6/25 ¹	2,910,000	2,677,200
US Airways 2011-1 Class A Pass Through Trust, 7.125% Pass-Through Certificates, 7.125%, 10/22/23	1,211,822	1,366,329
		5,205,404
Building Products—0.3%		
Nortek, Inc., 8.50% Sr. Unsec. Nts., 4/15/21	2,740,000	3,048,250

CONSOLIDATED STATEMENT OF INVESTMENTS

Continued

	Principal Amount	Value
Building Products Continued		
Ply Gem Industries, Inc.:		
8.25% Sr. Sec. Nts., 2/15/18	\$ 1,163,000	\$ 1,244,410
9.375% Sr. Unsec. Nts., 4/15/17	1,755,000	1,904,175
		6,196,835
Commercial Services & Supplies—0.6%		
Affinion Group, Inc., 7.875% Sr. Unsec. Nts., 12/15/18	3,020,000	2,733,100
Brand Energy & Infrastructure Services, Inc., 8.50% Sr. Unsec. Nts., 12/1/21 ¹	3,070,000	3,127,563
Cenveo Corp., 8.875% Sec. Nts., 2/1/18	2,955,000	2,969,775
First Data Corp., 6.75% Sr. Sec. Nts., 11/1/20 ¹	2,340,000	2,445,300
R.R. Donnelley & Sons Co., 7.875% Sr. Unsec. Nts., 3/15/21	1,190,000	1,326,850
STHI Holding Corp., 8% Sec. Nts., 3/15/18 ³	995,000	1,069,625
Tervita Corp., 8% Sr. Sec. Nts., 11/15/18 ¹	1,220,000	1,265,750
West Corp., 8.625% Sr. Unsec. Nts., 10/1/18	1,115,000	1,218,137
		16,156,100
Construction & Engineering—0.3%		
Andrade Gutierrez International SA, 4% Sr. Unsec. Nts., 4/30/18 ¹	1,135,000	1,075,413
IIRSA Norte Finance Ltd., 8.75% Sr. Sec. Nts., 5/30/24 ³	3,304,817	3,866,636
OAS Investments GmbH, 8.25% Sr. Nts., 10/19/19 ¹	1,790,000	1,754,200
Odebrecht Finance Ltd., 8.25% Sr. Unsec. Nts., 4/25/18 ¹	1,130,000 BRL	398,739
		7,094,988
Electrical Equipment—0.2%		
General Cable Corp., 6.50% Sr. Unsec. Nts., 10/1/22 ¹	1,240,000	1,221,400
Orion Engineered Carbons Bondco GmbH, 10% Nts., 6/15/18 ¹	1,219,500 EUR	1,862,209
		3,083,609
Industrial Conglomerates—0.1%		
General Electric Capital Australia Funding Pty Ltd., 7% Sr. Unsec. Nts., 10/8/15	625,000 AUD	591,489
Hutchison Whampoa Ltd., 3.75% Perpetual Bonds ^{2,13}	110,000 EUR	147,922
KOC Holding AS, 3.50% Sr. Unsec. Nts., 4/24/20 ¹	1,870,000	1,610,444
		2,349,855
Machinery—0.6%		
Actuant Corp., 5.625% Sr. Unsec. Nts., 6/15/22	1,205,000	1,226,087
Cleaver-Brooks, Inc., 8.75% Sr. Sec. Nts., 12/15/19 ¹	1,690,000	1,842,100
CNH Capital LLC, 6.25% Sr. Unsec. Nts., 11/1/16	670,000	742,862
Manitowoc Co., Inc. (The), 8.50% Sr. Unsec. Nts., 11/1/20	2,425,000	2,764,500
Meritor, Inc., 10.625% Sr. Unsec. Nts., 3/15/18	1,115,000	1,190,262
Navistar International Corp., 8.25% Sr. Unsec. Nts., 11/1/21	965,000	1,003,600
Terex Corp., 6% Sr. Unsec. Nts., 5/15/21	2,415,000	2,508,581
Victor Technologies Group, Inc., 9% Sr. Sec. Nts., 12/15/17	1,871,000	2,006,647
Xerium Technologies, Inc., 8.875% Sr. Unsec. Nts., 6/15/18	1,580,000	1,666,900
		14,951,539
Marine—0.1%		
Navios Maritime Holdings, Inc./Navios Maritime Finance II US, Inc., 7.375% Sr. Nts., 1/15/22 ¹	1,330,000	1,339,975

	Principal Amount	Value
Professional Services—0.1%		
FTI Consulting, Inc., 6% Sr. Unsec. Nts., 11/15/22	\$ 2,565,000	\$ 2,609,888
Road & Rail—0.3%		
Avis Budget Car Rental LLC/Avis Budget Finance, Inc., 5.50% Sr. Unsec. Nts., 4/1/23	1,680,000	1,635,900
Kazakhstan Temir Zholy Finance BV, 6.375% Sr. Unsec. Nts., 10/6/20 ¹	860,000	942,775
Kenan Advantage Group, Inc. (The), 8.375% Sr. Unsec. Nts., 12/15/18 ³	2,265,000	2,395,237
REFER-Rede Ferroviaria Nacional, 4% Sr. Unsec. Nts., 3/16/15	540,000 EUR	751,277
Transnet SOC Ltd., 4% Sr. Unsec. Nts., 7/26/22 ¹	650,000	575,380
Ukraine Railways via Shortline plc, 9.50% Sec. Nts., 5/21/18 ¹	310,000	281,325
Western Express, Inc., 12.50% Sr. Sec. Nts., 4/15/15 ³	4,775,000	3,056,000
		9,637,894
Trading Companies & Distributors—0.4%		
Aircastle Ltd., 4.625% Sr. Unsec. Nts., 12/15/18	905,000	914,050
Fly Leasing Ltd., 6.75% Sr. Unsec. Nts., 12/15/20	1,695,000	1,724,663
HD Supply, Inc., 7.50% Sr. Unsec. Nts., 7/15/20	3,255,000	3,523,538
International Lease Finance Corp., 8.75% Sr. Unsec. Nts., 3/15/17	1,847,000	2,184,077
United Rentals North America, Inc., 7.375% Sr. Unsec. Nts., 5/15/20	1,125,000	1,252,969
		9,599,297
Information Technology—1.4%		
Communications Equipment—0.3%		
Alcatel-Lucent USA, Inc., 6.75% Sr. Unsec. Nts., 11/15/20 ¹	1,535,000	1,598,319
Avaya, Inc., 7% Sr. Sec. Nts., 4/1/19 ¹	1,305,000	1,285,425
ViaSat, Inc., 6.875% Sr. Unsec. Nts., 6/15/20	1,166,000	1,238,875
		4,122,619
Computers & Peripherals—0.1%		
Denali Borrower LLC/Denali Finance Corp., 5.625% Sr. Sec. Nts., 10/15/20 ¹	1,845,000	1,833,469
Electronic Equipment, Instruments, & Components—0.1%		
Anixter, Inc., 5.625% Sr. Unsec. Nts., 5/1/19	980,000	1,035,125
Belden, Inc., 5.50% Sr. Sub. Nts., 9/1/22 ¹	1,245,000	1,226,325
		2,261,450
Internet Software & Services—0.2%		
Cerved Group SpA, 6.375% Sr. Sec. Nts., 1/15/20 ¹	1,110,000 EUR	1,619,718
EarthLink, Inc., 7.375% Sr. Sec. Nts., 6/1/20	3,160,000	3,167,900
Equinix, Inc., 4.875% Sr. Unsec. Nts., 4/1/20	1,220,000	1,220,000
IAC/InterActiveCorp, 4.75% Sr. Unsec. Nts., 12/15/22	1,255,000	1,176,563
		7,184,181
IT Services—0.3%		
First Data Corp.:		
8.25% Sec. Nts., 1/15/21 ¹	2,800,000	2,992,500
10.625% Sr. Unsec. Nts., 6/15/21 ¹	730,000	794,788
12.625% Sr. Unsec. Nts., 1/15/21	1,126,000	1,327,272
iPayment, Inc., 10.25% Sr. Unsec. Nts., 5/15/18	4,380,000	3,635,400
		8,749,960
Semiconductors & Semiconductor Equipment—0.2%		
Freescall Semiconductor, Inc.:		
6.00% Sr. Sec. Nts., 1/15/22 ¹	2,485,000	2,522,275
10.75% Sr. Unsec. Nts., 8/1/20	1,708,000	1,947,120
		4,469,395

	Principal Amount	Value
Software—0.2%		
Blackboard, Inc., 7.75% Sr. Unsec. Nts., 11/15/19 ¹	\$ 1,865,000	\$ 1,860,338
BMC Software Finance, Inc., 8.125% Sr. Unsec. Nts., 7/15/21 ¹	1,705,000	1,764,675
Infor US, Inc., 9.375% Sr. Unsec. Nts., 4/1/19	485,000	548,050
		4,173,063
Materials—3.7%		
Chemicals—0.7%		
ADS Waste Holdings, Inc., 8.25% Sr. Unsec. Nts., 10/1/20	1,075,000	1,171,750
Braskem Finance Ltd.: 5.375% Sr. Unsec. Nts., 5/2/22 ¹ 5.75% Sr. Unsec. Nts., 4/15/21 ¹	2,030,000 1,630,000	1,899,065 1,605,550
Hexion US Finance Corp., 6.625% Sr. Sec. Nts., 4/15/20	1,185,000	1,220,550
Hexion US Finance Corp./Hexion Nova Scotia Finance ULC, 8.875% Sr. Sec. Nts., 2/1/18	680,000	709,750
Ineos Finance plc, 8.375% Sr. Sec. Nts., 2/15/19 ¹	1,045,000	1,166,481
INEOS Group Holdings SA, 6.125% Sr. Unsec. Nts., 8/15/18 ¹	1,465,000	1,475,988
Mexichem SAB de CV, 4.875% Sr. Unsec. Nts., 9/19/22 ¹	1,365,000	1,341,112
Momentive Performance Materials, Inc., 8.875% Sr. Sec. Nts., 10/15/20	1,160,000	1,226,700
PetroLogistics LP/PetroLogistics Finance Corp., 6.25% Sr. Unsec. Nts., 4/1/20 ¹	915,000	921,863
PQ Corp., 8.75% Sec. Nts., 5/1/18 ¹	1,140,000	1,245,450
Trinseo Materials Operating SCA/Trinseo Materials Finance, Inc., 8.75% Sr. Sec. Nts., 2/1/19 ¹	1,445,000	1,499,188
		15,483,447
Construction Materials—0.6%		
Building Materials Corp. of America, 6.75% Sr. Nts., 5/1/21 ¹	1,975,000	2,142,875
Calcipar SA, 6.875% Sr. Sec. Nts., 5/1/18 ¹	90,000	95,850
Cemex Espana Luxembourg: 9.25% Sr. Sec. Nts., 5/12/20 ¹ 9.875% Sr. Sec. Nts., 4/30/19 ¹	3,280,000 3,005,000	3,616,200 3,448,237
Cemex Finance LLC, 9.375% Sr. Sec. Nts., 10/12/22 ¹	1,990,000	2,253,675
Cemex SAB de CV: 6.50% Sec. Nts., 12/10/19 ¹ 7.25% Sr. Sec. Nts., 1/15/21 ¹	1,560,000 1,260,000	1,615,380 1,307,250
HeidelbergCement Finance BV, 8% Sr. Unsec. Nts., 1/31/17	705,000 EUR	1,136,007
Lafarge SA, 5.375% Sr. Unsec. Nts., 6/26/17	515,000 EUR	783,693
		16,399,167
Containers & Packaging—1.1%		
Ardagh Packaging Finance plc/Ardagh MP Holdings USA, Inc., 7% Sr. Unsec. Nts., 11/15/20 ¹	3,070,000	3,116,050
Berry Plastics Corp., 9.75% Sec. Nts., 1/15/21	1,580,000	1,836,750
Cascades, Inc., 7.875% Sr. Unsec. Nts., 1/15/20	1,485,000	1,596,375
Consolidated Container Co. LLC/Consolidated Container Capital, Inc., 10.125% Sr. Unsec. Nts., 7/15/20 ¹	590,000	631,300
Crown Americas LLC/Crown Americas Capital Corp. IV, 4.50% Sr. Unsec. Nts., 1/15/23	2,335,000	2,194,900
Exopack Holdings SA, 7.875% Sr. Unsec. Nts., 11/1/19 ¹	1,335,000	1,368,375

	Principal Amount	Value
Containers & Packaging Continued		
Polymer Group, Inc., 7.75% Sr. Sec. Nts., 2/1/19	\$ 1,540,000	\$ 1,649,725
Reynolds Group Issuer, Inc./Reynolds Group Issuer LLC/Reynolds Group Issuer Luxembourg SA: 5.75% Sr. Sec. Nts., 10/15/20 9.50% Sr. Unsec. Nts., 4/15/19	1,540,000 1,285,000	1,578,500 1,384,587
Sealed Air Corp.: 5.25% Sr. Nts., 4/1/23 ¹ 6.50% Sr. Unsec. Nts., 12/1/20 ¹	1,620,000 1,445,000	1,583,550 1,560,600
Smurfit Kappa Acquisitions: 4.875% Sr. Sec. Nts., 9/15/18 ¹ 7.75% Sr. Sec. Nts., 11/15/19 ¹	664,000 1,325,000 EUR	692,220 1,995,969
		21,188,901
Metals & Mining—1.3%		
Aleris International, Inc.: 7.625% Sr. Unsec. Nts., 2/15/18 7.875% Sr. Unsec. Nts., 11/1/20	2,655,000 2,550,000	2,824,256 2,722,125
ALROSA Finance SA, 7.75% Nts., 11/3/20 ¹	3,570,000	3,975,195
CSN Islands XI Corp., 6.875% Sr. Unsec. Nts., 9/21/19 ¹	770,000	802,725
Evrax Group SA, 6.50% Sr. Unsec. Nts., 4/22/20 ¹	1,515,000	1,414,631
Ferrexpo Finance plc, 7.875% Sr. Unsec. Nts., 4/7/16 ¹	1,675,473	1,629,848
FMG Resources August 2006 Pty Ltd.: 6.875% Sr. Unsec. Nts., 2/1/18 ¹ 6.875% Sr. Unsec. Nts., 4/1/22 ¹ 8.25% Sr. Unsec. Nts., 11/1/19 ¹	760,000 910,000 890,000	1,856,800 996,450 1,002,362
Gerdau Holdings, Inc., 7% Sr. Unsec. Nts., 1/20/20 ¹	305,000	333,975
Gerdau Trade, Inc., 5.75% Sr. Unsec. Nts., 1/30/21 ¹	815,000	835,375
Gestamp Funding Luxembourg SA, 5.875% Sr. Sec. Nts., 5/31/20 ¹	855,000 EUR	1,246,797
JMC Steel Group, Inc., 8.25% Sr. Nts., 3/15/18 ¹	205,000	207,562
Metalloinvest Finance Ltd., 5.625% Unsec. Nts., 4/17/20 ¹	1,140,000	1,111,500
Mexico Generadora de Energia S de RL, 5.50% Sr. Sec. Nts., 12/6/32 ¹	1,270,000	1,216,025
MMC Norilsk Nickel OJSC, 5.55% Sr. Unsec. Nts., 10/28/20 ¹	2,020,000	2,017,475
Novelis, Inc., 8.75% Sr. Unsec. Nts., 12/15/20	1,285,000	1,435,987
Samarco Mineracao SA: 4.125% Sr. Unsec. Nts., 11/1/22 ¹ 5.75% Sr. Unsec. Nts., 10/24/23 ¹	290,000 1,060,000	261,725 1,052,050
Severstal OAO Via Steel Capital SA, 4.45% Sr. Unsec. Nts., 3/19/18 ¹	785,000	780,094
Walter Energy, Inc.: 9.50% Sr. Sec. Nts., 10/15/19 ¹ 9.875% Sr. Unsec. Nts., 12/15/20	1,565,000 1,420,000	1,658,900 1,235,400
Wise Metals Group LLC/Wise Alloys Finance Corp., 8.75% Sr. Sec. Nts., 12/15/18 ¹	905,000	957,038
Xstrata Finance Canada Ltd., 2.05% Sr. Unsec. Nts., 10/23/15 ¹	1,383,000	1,401,221
		32,975,516
Telecommunication Services—3.4%		
Diversified Telecommunication Services—2.1%		
Altice Financing SA, 6.50% Sec. Nts., 1/15/22 ¹	905,000	916,313
Altice Finco SA, 8.125% Sr. Unsec. Nts., 1/15/24 ¹	720,000	748,800
Cequel Communications Holdings I LLC/Cequel Capital Corp., 6.375% Sr. Unsec. Nts., 9/15/20 ¹	5,870,000	6,046,100
Colombia Telecomunicaciones SA ESP, 5.375% Sr. Unsec. Nts., 9/27/22 ¹	560,000	525,000

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	Principal Amount	Value
Diversified Telecommunication Services Continued		
Deutsche Telekom International Finance BV, 4.875% Sr. Unsec. Nts., 3/6/42 ¹	\$ 1,395,000	\$ 1,331,547
Fairpoint Communications, Inc., 8.75% Sr. Sec. Nts., 8/15/19 ¹	3,600,000	3,834,000
Frontier Communications Corp., 7.625% Sr. Unsec. Nts., 4/15/24	1,615,000	1,619,038
Intelsat Jackson Holdings SA:		
5.50% Sr. Unsec. Nts., 8/1/23 ¹	760,000	725,800
7.25% Sr. Unsec. Nts., 10/15/20	1,460,000	1,604,175
Intelsat Luxembourg SA, 7.75% Sr. Unsec. Nts., 6/1/21 ¹	2,800,000	3,013,500
Koninklijke KPN NV, 6.125% Sr. Sub. Perpetual Bonds ^{2,13}	2,090,000 EUR	3,032,573
Level 3 Communications, Inc., 8.875% Sr. Unsec. Nts., 6/1/19	1,165,000	1,278,588
MetroPCS Wireless, Inc.:		
6.25% Sr. Unsec. Unsub. Nts., 4/1/21 ¹	1,610,000	1,676,413
6.625% Sr. Unsec. Nts., 11/15/20	4,340,000	4,616,675
Oi SA, 9.75% Sr. Unsec. Nts., 9/15/16 ¹	2,550,000 BRL	978,171
Portugal Telecom International Finance BV:		
4.625% Sr. Unsec. Nts., 5/8/20	1,040,000 EUR	1,469,011
5.00% Sr. Unsec. Nts., 11/4/19	350,000 EUR	506,678
5.625% Sr. Unsec. Nts., 2/8/16	530,000 EUR	781,943
Telecom Italia Capital SA, 7.721% Sr. Unsec. Unsub. Nts., 6/4/38	1,913,000	1,922,565
Telecom Italia SpA, 7.75% Sub. Nts., 3/20/73 ²	805,000 EUR	1,146,861
Telefonica Chile SA, 3.875% Sr. Unsec. Nts., 10/12/22 ¹	580,000	532,091
Telefonica Europe BV, 6.50% Sr. Sub. Perpetual Bonds ^{2,13}	2,075,000 EUR	3,059,964
Telekom Austria AG, 5.625% Sub. Perpetual Bonds ^{2,13}	1,350,000 EUR	1,966,305
Telemar Norte Leste SA, 5.50% Sr. Unsec. Nts., 10/23/20 ¹	4,255,000	4,063,525
Verizon Communications, Inc., 6.55% Sr. Unsec. Nts., 9/15/43	130,000	152,128
Wind Acquisition Finance SA, 7.25% Sr. Sec. Nts., 2/15/18 ¹	2,535,000	2,680,762
Windstream Corp., 7.75% Sr. Unsec. Nts., 10/15/20	2,845,000	3,033,481
		53,262,007
Wireless Telecommunication Services—1.3%		
America Movil SAB de CV:		
6.45% Sr. Unsec. Nts., 12/5/22	22,780,000 MXN	1,616,524
8.46% Sr. Unsec. Nts., 12/18/36	14,700,000 MXN	1,066,156
Digicel Group Ltd., 8.25% Sr. Unsec. Nts., 9/30/20 ¹	1,890,000	1,967,962
ENTEL Chile SA, 4.875% Sr. Unsec. Nts., 10/30/24 ¹	1,325,000	1,295,450
Millicom International Cellular SA, 6.625% Sr. Unsec. Nts., 10/15/21 ¹	840,000	873,180
Mobile Telesystems OJSC via MTS International Funding Ltd.:		
5.00% Sr. Unsec. Nts., 5/30/23 ¹	1,145,000	1,076,300
8.625% Sr. Unsec. Nts., 6/22/20 ¹	1,450,000	1,718,250
SBA Telecommunications, Inc., 5.75% Sr. Unsec. Nts., 7/15/20	785,000	820,325
Sistema JSFC via Sistema International Funding SA, 6.95% Sr. Unsec. Nts., 5/17/19 ¹	680,000	727,600
Sprint Communications, Inc., 9% Sr. Unsec. Nts., 11/15/18 ¹	1,045,000	1,261,837
Sprint Corp., 7.25% Sr. Unsec. Nts., 9/15/21 ¹	1,610,000	1,734,775
Vimpel Communications Via VIP Finance Ireland Ltd. OJSC:		
7.748% Sr. Unsec. Nts., 2/2/21 ¹	2,140,000	2,329,925
9.125% Sr. Unsec. Nts., 4/30/18 ¹	4,520,000	5,322,300

	Principal Amount	Value
Wireless Telecommunication Services Continued		
VimpelCom Holdings BV:		
5.95% Sr. Unsec. Unsub. Nts., 2/13/23 ¹	\$ 2,400,000	\$ 2,274,000
7.504% Sr. Unsec. Nts., 3/1/22 ¹	4,930,000	5,162,302
9.00% Sr. Unsec. Nts., 2/13/18 ¹	47,100,000 RUB	1,439,163
Vimpel-Communications OJSC:		
8.85% Sr. Unsec. Nts., 3/8/22 ²	26,000,000 RUB	800,766
		31,486,815
Utilities—2.4%		
Electric Utilities—1.3%		
Bhira Investments Ltd., 8.50% Jr. Sub. Nts., 4/27/71 ²	50,000	50,053
Dubai Electricity & Water Authority, 7.375% Sr. Unsec. Nts., 10/21/20 ¹	5,120,000	5,990,400
EDP Finance BV, 6% Sr. Unsec. Nts., 2/2/18 ¹	1,395,000	1,501,020
Electricite de France SA, 5.25% Jr. Sub. Perpetual Bonds ^{1,2,13}	2,430,000	2,420,951
Empresas Publicas de Medellin ESP:		
7.625% Sr. Unsec. Nts., 7/29/19 ¹	865,000	1,025,025
8.375% Sr. Unsec. Nts., 2/1/21 ¹	2,227,465,000 COP	1,203,754
Enel SpA:		
6.50% Jr. Sub. Nts., 1/10/74 ²	590,000 EUR	872,415
8.75% Sub. Nts., 9/24/73 ^{1,2}	575,000	627,392
Eskom Holdings Ltd.:		
5.75% Sr. Unsec. Nts., 1/26/21 ¹	690,000	690,000
6.75% Sr. Unsec. Nts., 8/6/23 ¹	2,230,000	2,291,325
Iberdrola International BV, 5.75% Sub. Perpetual Bonds ^{2,13}	1,035,000 EUR	1,510,438
Israel Electric Corp. Ltd.:		
6.70% Sr. Sec. Nts., 2/10/17 ¹	1,885,000	2,049,770
7.25% Sr. Sec. Nts., 1/15/19 ¹	8,830,000	9,817,945
9.375% Sr. Sec. Nts., 1/28/20 ¹	425,000	515,645
National Power Corp., 5.875% Sr. Unsec. Nts., 12/19/16	109,600,000 PHP	2,660,330
Perusahaan Listrik Negara PT, 5.50% Sr. Unsec. Nts., 11/22/21 ¹	1,295,000	1,252,912
		34,479,375
Energy Traders—0.7%		
AES Corp.:		
7.375% Sr. Unsec. Nts., 7/1/21	1,045,000	1,183,462
8.00% Sr. Unsec. Nts., 10/15/17	1,100,000	1,298,000
Calpine Corp.:		
7.50% Sr. Sec. Nts., 2/15/21 ¹	912,000	999,780
7.875% Sr. Sec. Nts., 1/15/23 ¹	884,000	970,190
Colbun SA, 6% Sr. Unsec. Nts., 1/21/20 ¹	2,150,000	2,315,000
Comision Federal de Electricidad, 4.875% Sr. Unsec. Nts., 1/15/24 ¹	1,310,000	1,303,450
Dynegy, Inc., 5.875% Sr. Unsec. Nts., 6/1/23 ¹	420,000	399,000
Energy Future Intermediate Holding Co. LLC/EFIH Finance, Inc.:		
10.00% Sr. Sec. Nts., 12/1/20 ¹	1,840,000	1,959,600
12.25% Sec. Nts., 3/1/22 ¹	1,715,000	2,023,700
Infinis plc, 7% Sr. Sec. Nts., 2/15/19 ³	870,000 GBP	1,545,126
Instituto Costarricense de Electricidad, 6.95% Sr. Unsec. Nts., 11/10/21 ¹	190,000	195,937
NRG Energy, Inc., 6.625% Sr. Unsec. Nts., 3/15/23	1,455,000	1,473,188
Power Sector Assets & Liabilities Management Corp., 7.39% Sr. Unsec. Nts., 12/2/24 ¹	415,000	508,375
		16,174,808
Gas Utilities—0.3%		
AmeriGas Finance LLC/AmeriGas Finance Corp., 6.75% Sr. Unsec. Nts., 5/20/20	2,595,000	2,848,012
Empresa de Energia de Bogota SA, 6.125% Sr. Unsec. Nts., 11/10/21 ¹	1,145,000	1,225,150

	Principal Amount	Value
Gas Utilities Continued		
Ferrellgas LP/Ferrellgas Finance Corp., 6.50% Sr. Unsec. Nts., 5/1/21	\$ 735,000	\$ 753,375
Gas Natural Capital Markets SA, 4.375% Sr. Unsec. Nts., 11/2/16	895,000 EUR	1,337,506
Gas Natural de Lima y Callao SA, 4.375% Sr. Unsec. Nts., 4/1/23 ¹	710,000	660,300
Transportadora de Gas Internacional SA ESP, 5.70% Sr. Unsec. Nts., 3/20/22 ¹	585,000	622,294
		7,446,637

Multi-Utilities—0.1%

National Grid North America, Inc., 1.75% Unsec. Nts., 2/20/18	990,000 EUR	1,372,478
Veolia Environnement SA, 4.45% Jr. Sub. Perpetual Bonds ^{2,13}	715,000 EUR	976,974
		2,349,452

Total Corporate Bonds and Notes
(Cost \$904,385,080) 909,352,820

	Shares	
Preferred Stock—0.1%		
Ally Financial, Inc., 7% Cum., Series G, Non-Vtg. ^{1,13} (Cost \$2,433,315)	2,583	2,479,922

Common Stocks—0.2%

American Media Operations, Inc. ¹⁴	219,796	1,428,674
Arco Capital Corp. Ltd. ^{3,14}	690,638	—
Nortek, Inc. ¹⁴	24,095	1,797,487
Premier Holdings Ltd. ¹⁴	18,514	—
Revel Entertainment ¹⁴	16,153	—
Wallace Theater Holdings, Inc. ^{3,14}	1,525	15,296
Total Common Stocks (Cost \$9,558,022)		3,241,457

	Principal Amount	
Structured Securities—1.0%		
Citigroup Global Markets Holdings, Inc., Republic of Colombia Credit Linked Nts., Series 2, 10%, 7/25/24	1,549,000,000 COP	990,718
Coriolanus Ltd., 18.665% Sr. Sec. Nts., 12/31/17 ^{3,11}	12,850,000 BRR	7,831,188
Credit Suisse First Boston International, Moitk Total Return Linked Nts., 21%, 3/30/11 ⁸	53,910,000 RUR	—
Credit Suisse First Boston, Inc. (Nassau Branch), Russian Specialized Construction & Installation Administration Total Return Linked Nts., 13%, 5/24/10 ⁸	97,250,000 RUR	—

	Principal Amount	Value
Structured Securities Continued		
Deutsche Bank AG, Opic Reforma I Credit Linked Nts.:		
Cl. 2A, 7.208%, 5/25/15 ^{2,3}	697,693 MXN \$	50,182
Cl. 2B, 7.208%, 5/25/15 ^{2,3}	1,220,632 MXN	87,795
Cl. 2C, 7.208%, 5/25/15 ^{2,3}	18,404,162 MXN	1,323,735
Cl. 2D, 7.208%, 5/25/15 ^{2,3}	1,341,270 MXN	96,472
Cl. 2E, 7.208%, 5/25/15 ^{2,3}	974,458 MXN	70,089
Cl. 2F, 7.208%, 5/25/15 ^{2,3}	622,337 MXN	44,762
Cl. 2G, 7.208%, 5/25/15 ^{2,3}	114,609 MXN	8,243

Deutsche Bank AG, Coriolanus Ltd. Sec. Credit Linked Bonds:		
3.01%, 4/30/25 ^{1,9}	1,560,019	1,057,517
3.138%, 4/30/25 ^{1,9}	1,533,946	1,039,842
3.191%, 4/30/25 ^{1,9}	1,909,887	1,294,687
3.242%, 4/30/25 ^{1,9}	2,179,846	1,477,689
3.269%, 4/30/25 ^{1,9}	1,741,442	1,180,501
3.346%, 4/30/25 ^{1,9}	1,636,882	1,109,621
3.905%, 4/30/25 ^{1,9}	1,987,705	1,347,439
4.005%, 4/30/25 ^{1,9}	1,716,065	1,163,298

Goldman Sachs Capital Markets LP, Republic of Colombia Credit Linked Nts., Cl. B, 10%, 7/30/24 ¹		
	4,250,000,000 COP	2,718,238

LB Peru Trust II Certificates, Series 1998-A, 3.796%, 2/28/16 ^{8,9}	2,994	2,998
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Morgan Stanley, Russian Federation Total Return Linked Bonds, Series 007, Cl. VR, 5%, 8/22/34	45,996,391 RUR	701,305
Total Structured Securities (Cost \$29,173,595)		23,596,319

Rights, Warrants and Certificates—0.0%

MediaNews Group, Inc. Wts., Strike Price \$48.72, 3/19/17 ¹⁴	22,685	—
(Cost \$6,331,150)		

	Shares	
Investment Companies—6.6%		
iShares iBoxx \$ High Yield Corporate Bond Exchange Traded Fund	118,300	10,987,705
Oppenheimer Institutional Money Market Fund, Cl. E, 0.09% ^{16,17}	33,054,028	33,054,028
Oppenheimer Master Event-Linked Bond Fund, LLC ¹⁶	4,827,322	66,588,345
Oppenheimer Master Loan Fund, LLC ¹⁶	1,023,461	14,576,015
Oppenheimer Ultra-Short Duration Fund, Cl. Y ¹⁶	3,707,723	37,151,380
Total Investment Companies (Cost \$160,470,606)		162,357,473

Counterparty	Buy / Sell Protection	Reference Asset	Fixed Rate	Expiration Date	Notional Amount (000's)	Premium Received / (Paid)	Value
Over-the-Counter Credit Default Swaptions Purchased—0.0%							
Credit Default Swap maturing 12/20/18 Call ¹⁴	JPM	Buy	CDX.NA.HY.21	5.000%	2/19/14 USD	675 \$ 5,940	1,406
Credit Default Swap maturing 12/20/18 Call ¹⁴	JPM	Buy	iTraxx Europe Series 20 Version 1	1.000	2/19/14 EUR	14,585 42,567	6,888
Credit Default Swap maturing 12/20/18 Call ¹⁴	JPM	Buy	CDX.NA.HY.21	5.000	1/15/14 USD	1,805 14,440	250
Credit Default Swap maturing 12/20/18 Call ¹⁴	BAC	Buy	iTraxx Europe Series 20 Version 1	1.000	1/15/14 EUR	7,135 21,742	22
Credit Default Swap maturing 12/20/18 Call ¹⁴	JPM	Buy	CDX.NA.HY.21	5.000	1/15/14 USD	1,805 16,065	250
Total Over-the-Counter Credit Default Swaptions Purchased (Cost \$100,754)							8,816

CONSOLIDATED STATEMENT OF INVESTMENTS Continued

	Counterparty	Pay / Receive Floating Rate	Floating Rate	Fixed Rate	Expiration Date	Notional Amount (000's)			Value
Over-the-Counter Interest Rate Swaptions Purchased—0.2%									
Interest Rate Swap maturing 3/19/24 Call ¹⁴	BAC	Receive	Three-Month USD BBA LIBOR	2.745%	3/17/14	USD	6,055	\$	6,466
Interest Rate Swap maturing 2/18/24 Call ¹⁴	GSG	Pay	Six-Month EUR EURIBOR	2.069	2/14/14	EUR	11,775		229,874
Interest Rate Swap maturing 2/19/24 Call ¹⁴	UBS	Pay	Six-Month EUR EURIBOR	2.080	2/17/14	EUR	11,780		221,250
Interest Rate Swap maturing 4/1/19 Call ¹⁴	GSG	Pay	Three-Month USD BBA LIBOR	1.703	3/28/14	USD	29,445		441,467
Interest Rate Swap maturing 5/8/19 Call ¹⁴	JPM	Pay	Three-Month USD BBA LIBOR	1.795	5/6/14	USD	46,935		737,608
Interest Rate Swap maturing 2/12/24 Call ¹⁴	JPM	Pay	Three-Month USD BBA LIBOR	2.975	2/10/14	USD	11,730		212,272
Interest Rate Swap maturing 3/19/19 Call ¹⁴	UBS	Pay	Six-Month EUR EURIBOR	1.490	3/17/14	EUR	46,385		209,882
Interest Rate Swap maturing 12/4/45 Call ¹⁴	GSG	Pay	Six-Month GBP BBA LIBOR	3.275	12/4/15	GBP	1,320		227,306
Interest Rate Swap maturing 3/10/19 Call ¹⁴	JPM	Pay	Three-Month USD BBA LIBOR	2.005	3/6/14	USD	59,555		282,421
Interest Rate Swap maturing 5/22/24 Call ¹⁴	JPM	Pay	Three-Month USD BBA LIBOR	3.220	5/20/14	USD	11,815		238,660
Interest Rate Swap maturing 11/25/44 Call ¹⁴	BAC	Pay	Six-Month EUR EURIBOR	3.445	11/25/14	GBP	1,355		117,317
Interest Rate Swap maturing 5/2/19 Call ¹⁴	UBS	Pay	Three-Month USD BBA LIBOR	2.010	4/30/14	USD	17,495		165,905
Interest Rate Swap maturing 8/4/46 Call ¹⁴	BOA	Pay	Three-Month USD BBA LIBOR	4.860	8/2/16	USD	1,395		79,425
Interest Rate Swap maturing 4/10/19 Call ¹⁴	JPM	Pay	Three-Month USD BBA LIBOR	2.145	4/8/14	USD	28,960		153,104
Interest Rate Swap maturing 7/27/46 Call ¹⁴	BOA	Pay	Three-Month USD BBA LIBOR	3.890	7/25/16	USD	6,860		936,017
Interest Rate Swap maturing 4/27/47 Call ¹⁴	BAC	Pay	Three-Month USD BBA LIBOR	3.480	4/25/17	USD	5,040		1,034,044
Interest Rate Swap maturing 5/30/33 Call ¹⁴	BAC	Pay	Six-Month GBP BBA LIBOR	3.990	5/30/23	GBP	1,235		105,467
Interest Rate Swap maturing 1/28/17 Call ¹⁴	UBS	Pay	Three-Month USD BBA LIBOR	0.840	1/24/14	USD	24,100		68,155
Interest Rate Swap maturing 1/31/19 Call ¹⁴	BOA	Pay	Three-Month USD BBA LIBOR	1.590	1/29/14	USD	2,645		33,450
Interest Rate Swap maturing 1/24/17 Call ¹⁴	BAC	Pay	Three-Month USD BBA LIBOR	0.835	1/22/14	USD	5,445		14,471
Interest Rate Swap maturing 1/10/19 Call ¹⁴	BAC	Pay	Three-Month USD BBA LIBOR	1.985	1/8/14	USD	28,960		4,148
Interest Rate Swap maturing 1/13/19 Call ¹⁴	BOA	Pay	Three-Month USD BBA LIBOR	1.993	1/9/14	USD	17,800		3,359
Total Over-the-Counter Interest Rate Swaptions Purchased (Cost 4,420,162)									5,522,068

	Counterparty	Exercise Price	Expiration Date	Contracts	Value
Over-the-Counter Options Purchased—0.0%					
AUD Currency ¹⁴	BOA	JPY 95.500	8/4/14	AUD 1,395,000 \$	24,717
AUD Currency ¹⁴	GSG	JPY 102.000	9/10/14	AUD 1,970,000	11,146
BRL Currency ¹⁴	GSG	BRL 2.300	1/9/14	BRL 19,760,000	4,387
CAD Currency ¹⁴	JPM	CAD 1.084	11/17/14	CAD 730,000	14,905
CNH Currency ¹⁴	JPM	CNH 6.147	10/16/14	CNH 8,100,000	16,127
EUR Currency ¹⁴	BOA	USD 1.302	5/23/14	EUR 1,355,000	9,325
INR Currency ¹⁴	GSG	INR 65.250	9/3/14	INR 82,500,000	52,057
INR Currency ¹⁴	GSG	INR 65.000	9/2/14	INR 82,500,000	49,252
JPY Currency ¹⁴	GSG	JPY 103.000	5/23/14	JPY 70,000,000	25,900
JPY Currency ¹⁴	GSG	JPY 108.000	5/22/15	JPY 650,000,000	222,300
MXN Currency ¹⁴	GSG	MXN 13.000	9/29/14	MXN 17,000,000	38,437
MXN Currency ¹⁴	BOA	MXN 12.725	3/11/14	MXN 197,700,000	112,294
MXN Currency ¹⁴	BOA	MXN 13.785	1/22/14	MXN 163,950,000	11,477
MXN Currency ¹⁴	CITNA-B	MXN 12.500	1/22/14	MXN 148,650,000	6,689
Total Over-the-Counter Options Purchased (Cost \$988,486)					599,013
Total Investments, at Value (Cost \$2,504,680,912)				101.3%	2,485,625,606
Liabilities in Excess of Other Assets				(1.3)	(30,858,428)
Net Assets				100.0% \$	2,454,767,178

Footnotes to Consolidated Statement of Investments

Principal and notional amount and exercise price are reported in U.S. Dollars except for those denoted in the following currencies:

AUD	Australian Dollar	NGN	Nigeria Naira
BRL	Brazilian Real	MXN	Mexican Nuevo Peso
CAD	Canadian Dollar	NOK	Norwegian Krone
CHF	Swiss Franc	PEN	Peruvian New Sol
CNH	Offshore Chinese Renminbi	PLN	Polish Zloty
COP	Columbian Peso	RON	Romanian Leu
EUR	Euro	RSD	Serbian Dinar
HUF	Hungarian Forint	RUB	Russian Ruble
IDR	Indonesia Rupiah	SEK	Swedish Krona
INR	Indian Rupee	THB	Thai Bhat
GBP	British Pound Sterling	TRY	New Turkish Lira
JPY	Japanese Yen	ZAR	South African Rand
MYR	Malaysian Ringgit		

1. Represents securities sold under Rule 144A, which are exempt from registration under the Securities Act of 1933, as amended. These securities have been determined to be liquid under guidelines established by the Board of Trustees. These securities amount to \$699,442,957 or 28.49% of the Fund's net assets as of December 31, 2013.

2. Represents the current interest rate for a variable or increasing rate security.

3. Restricted security. The aggregate value of restricted securities as of December 31, 2013 was \$42,263,098, which represents 1.72% of the Fund's net assets. See Note 7 of the accompanying Consolidated Notes. Information concerning restricted securities is as follows:

Security	Acquisition Dates	Cost	Value	Unrealized Appreciation/ (Depreciation)
Arco Capital Corp. Ltd.	6/28/13	\$ —	\$ —	—
Coriolanus Ltd., 18.665% Sr. Sec. Nts., 12/31/17	9/19/07	6,013,860	7,831,188	1,817,328
Deutsche Bank AG, Opic Reforma I Credit Linked Nts., Cl. 2A, 7.208%, 5/22/15	5/21/08	67,269	50,182	(17,087)
Deutsche Bank AG, Opic Reforma I Credit Linked Nts., Cl. 2B, 7.208%, 5/22/15	6/12/08	117,680	87,795	(29,885)
Deutsche Bank AG, Opic Reforma I Credit Linked Nts., Cl. 2C, 7.208%, 5/22/15	6/18/08	1,785,486	1,323,735	(461,751)
Deutsche Bank AG, Opic Reforma I Credit Linked Nts., Cl. 2D, 7.208%, 5/22/15	7/8/08	130,028	96,472	(33,556)
Deutsche Bank AG, Opic Reforma I Credit Linked Nts., Cl. 2E, 7.208%, 5/22/15	7/15/08	94,626	70,089	(24,537)
Deutsche Bank AG, Opic Reforma I Credit Linked Nts., Cl. 2F, 7.208%, 5/22/15	8/8/08	61,263	44,762	(16,501)
Deutsche Bank AG, Opic Reforma I Credit Linked Nts., Cl. 2G, 7.208%, 5/22/15	8/22/08	11,304	8,243	(3,061)
Deutsche Mortgage Securities, Inc., Series 2013-RS1, Cl. 1A2, 0.387%, 7/22/36	9/23/13	3,761,483	3,895,780	134,297

CONSOLIDATED STATEMENT OF INVESTMENTS Continued

Footnotes to Consolidated Statement of Investments Continued

Security	Acquisition Dates	Cost	Value	Unrealized Appreciation/ (Depreciation)
ICE EM CLO, Series 2007-1A, Cl. B, 2.096%, 8/15/22	11/6/07	\$ 7,136,176	\$ 7,181,375	\$ 45,199
ICE EM CLO, Series 2007-1A, Cl. C, 3.396%, 8/15/22	6/8/07	5,270,000	4,439,975	(830,025)
ICE EM CLO, Series 2007-1A, Cl. D, 5.396%, 8/15/22	6/8/07	5,270,000	4,584,900	(685,100)
IIRSA Norte Finance Ltd., 8.75% Sr. Sec. Nts., 5/30/24	8/3/06-7/24/07	3,506,871	3,866,636	359,765
Infinis plc, 7% Sr. Sec. Nts., 2/15/19	10/2/13-10/6/13	1,479,719	1,545,126	65,407
JPMorgan Hipotecaria su Casita, 6.47% Sec. Nts., 8/26/35	3/21/07	529,012	42,264	(486,748)
Kenan Advantage Group, Inc. (The), 8.375% Sr. Unsec. Nts., 12/15/18	12/7/12-12/12/13	2,326,031	2,395,237	69,206
LBC Tank Terminals Holding Netherlands BV, 6.875% Sr. Unsec. Nts., 5/15/23	5/8/13	630,000	654,413	24,413
NC Finance Trust, Series 1999-I, Cl. D, 3.405%, 1/25/29	8/10/10	66,025	4,005	(62,020)
Premier Cruises Ltd., 11% Sr. Nts., 3/15/08	3/6/98	242,675	—	(242,675)
STH Holding Corp., 8% Sec. Nts., 3/15/18	3/11/11	995,000	1,069,625	74,625
Wallace Theater Holdings, Inc.	3/28/13	15	15,296	15,281
Western Express, Inc., 12.50% Sr. Sec. Nts., 4/15/15	4/9/10-5/4/11	4,751,506	3,056,000	(1,695,506)
		\$ 44,246,029	\$ 42,263,098	\$ (1,982,931)

4. Interest-Only Strips represent the right to receive the monthly interest payments on an underlying pool of mortgage loans. These securities typically decline in price as interest rates decline. Most other fixed income securities increase in price when interest rates decline. The principal amount of the underlying pool represents the notional amount on which current interest is calculated. The price of these securities is typically more sensitive to changes in prepayment rates than traditional mortgage-backed securities (for example, GNMA pass-throughs). Interest rates disclosed represent current yields based upon the current cost basis and estimated timing and amount of future cash flows. These securities amount to \$5,987,673 or 0.24% of the Fund's net assets as of December 31, 2013.

5. Interest rate is less than 0.0005%.

6. The current amortization rate of the security's cost basis exceeds the future interest payments currently estimated to be received. Both the amortization rate and interest payments are contingent on future mortgage pre-payment speeds and are therefore subject to change.

7. All or a portion of the security position is when-issued or delayed delivery to be delivered and settled after December 31, 2013. See Note 1 of the accompanying Consolidated Notes.

8. This security is not accruing income because the issuer has missed an interest payment on it and/or is not anticipated to make future interest and or principal payments. The rate shown is the original contractual interest rate. See Note 1 of the accompanying Consolidated Notes.

9. Zero coupon bond reflects effective yield on the date of purchase.

10. All or a portion of the security position is held in segregated accounts and pledged to cover margin requirements under certain derivative contracts. The aggregate market value of such securities is \$3,670,265. See Note 6 of the accompanying Consolidated Notes.

11. Denotes an inflation-index security: coupon or principal are indexed to a consumer price index.

12. Interest or dividend is paid-in-kind, when applicable.

13. This bond has no contractual maturity date, is not redeemable and contractually pays an indefinite stream of interest. Rate reported represents the current interest rate for this variable rate security.

14. Non-income producing security.

15. All or a portion of the security position is held in accounts at a futures clearing merchant and pledged to cover margin requirements on open futures contracts and written options on futures, if applicable. The aggregate market value of such securities is \$3,595,147. See Note 6 of the accompanying Consolidated Notes.

16. Is or was an affiliate, as defined in the Investment Company Act of 1940, at or during the period ended December 31, 2013, by virtue of the Fund owning at least 5% of the voting securities of the issuer or as a result of the Fund and the issuer having the same investment adviser. Transactions during the period in which the issuer was an affiliate are as follows:

	Shares December 31, 2012	Gross Additions	Gross Reductions	Shares December 31, 2013
Oppenheimer Institutional Money Market Fund, Cl. E	34,093,630	1,051,887,133	1,052,926,735	33,054,028
Oppenheimer Master Event-Linked Bond Fund, LLC	4,827,322	—	—	4,827,322
Oppenheimer Master Loan Fund, LLC	25,357,850	1,023,461	25,357,850	1,023,461
Oppenheimer Ultra-Short Duration Fund, Cl. Y	1,010,027	2,697,696	—	3,707,723

	Value	Income	Realized Gain (Loss)
Oppenheimer Institutional Money Market Fund, Cl. E	\$ 33,054,028	\$ 50,862	\$ —
Oppenheimer Master Event-Linked Bond Fund, LLC	66,588,345	5,254,837 ^a	42,005 ^a
Oppenheimer Master Loan Fund, LLC	14,576,015	6,383,509 ^b	5,434,614 ^b
Oppenheimer Ultra-Short Duration Fund, Cl. Y	37,151,380	83,813	—
Total	\$ 151,369,768	\$ 11,773,021	\$ 5,476,619

^a. Represents the amount allocated to the Fund from Oppenheimer Master Event-Linked Bond Fund, LLC.

^b. Represents the amount allocated to the Fund from Oppenheimer Master Loan Fund, LLC.

17. Rate shown is the 7-day yield as of December 31, 2013.

Footnotes to Consolidated Statement of Investments Continued

Distribution of investments representing geographic holdings, as a percentage of total investments at value, is as follows:

Geographic Holdings	Value	Percent
United States	\$ 1,401,018,004	56.4 %
Mexico	178,963,252	7.2
Brazil	117,495,714	4.7
Russia	105,363,325	4.2
Turkey	54,632,301	2.2
United Kingdom	52,800,964	2.1
Hungary	46,333,371	1.9
Canada	41,009,956	1.6
Germany	38,284,465	1.5
South Africa	32,241,963	1.3
Colombia	25,795,818	1.0
Italy	25,468,158	1.0
France	25,277,678	1.0
Peru	24,889,058	1.0
Netherlands	22,356,133	0.9
Indonesia	21,826,821	0.9
Luxembourg	18,761,491	0.7
Supranational	18,117,916	0.7
Australia	17,194,030	0.7
Israel	14,048,473	0.6
Thailand	13,271,506	0.5
Venezuela	13,108,255	0.5
Poland	11,308,650	0.5
Spain	11,193,643	0.5
United Arab Emirates	10,629,188	0.4
Ukraine	10,043,265	0.4
Chile	9,943,438	0.4
Portugal	8,987,759	0.4
Philippines	7,786,005	0.3
Nigeria	7,292,271	0.3
Switzerland	6,832,519	0.3
China	6,331,680	0.3
Romania	5,805,242	0.2
Malaysia	5,387,715	0.2
Croatia	5,056,129	0.2
Ireland	4,927,720	0.2
India	4,852,643	0.2
Greece	4,446,116	0.2
Lithuania	4,419,322	0.2
Ivory Coast	4,342,500	0.2
Dominican Republic	4,281,789	0.2
Serbia	3,999,307	0.2
Kazakhstan	3,853,646	0.2
Panama	3,134,468	0.1
Denmark	3,023,433	0.1
Uruguay	2,894,750	0.1
Sri Lanka	2,849,206	0.1
Norway	2,687,787	0.1
Sweden	2,355,970	0.1
Angola	2,001,825	0.1
Jamaica	1,967,962	0.1
Austria	1,966,305	0.1
Jersey, Channel Islands	1,804,570	0.1
Costa Rica	1,803,275	0.1
Morocco	1,562,400	0.1
Tanzania	1,291,500	0.1
Latvia	1,273,406	0.1
Trinidad	1,041,175	0.0
Gabon	957,125	0.0
Belgium	654,413	0.0
Japan	617,988	0.0
Guatemala	607,200	0.0
Eurozone	460,471	0.0
Bolivia	297,600	0.0
South Korea	245,656	0.0
Hong Kong	147,922	0.0
Total	<u>\$ 2,485,625,606</u>	<u>100.0 %</u>

CONSOLIDATED STATEMENT OF INVESTMENTS Continued

Footnotes to Consolidated Statement of Investments Continued

Forward Currency Exchange Contracts as of December 31, 2013

Counterparty	Settlement Month(s)	Currency Purchased (000's)	Currency Sold (000's)	Unrealized Appreciation	Unrealized Depreciation
BAC	01/2014	BRL 14,500	USD 6,268 \$	19,673 \$	141,927
BAC	01/2014	KRW 4,251,000	USD 3,981	41,352	—
BAC	02/2014 - 02/2014	MYR 63,865	USD 20,026	—	584,558
BAC	02/2014	THB 35,000	USD 1,083	—	19,851
BAC	01/2014 - 01/2015	USD 9,937	BRL 23,600	253,757	11,764
BAC	01/2014 - 02/2014	USD 4,646	EUR 3,450	—	100,216
BAC	01/2014	USD 412	IDR 5,059,000	—	849
BAC	01/2014	USD 279	MYR 895	5,968	—
BAC	02/2014	USD 3,094	ZAR 31,770	79,051	—
BNP	01/2014	BRL 3,600	USD 1,546	—	20,483
BNP	05/2014	CAD 4,880	USD 4,562	15,255	—
BNP	05/2014	DKK 3,890	USD 713	5,017	—
BNP	02/2014	EUR 2,140	USD 2,879	65,209	—
BNP	02/2014	GBP 930	USD 1,520	19,403	—
BNP	01/2014	MXN 17,000	USD 1,301	1,216	—
BNP	05/2014	NOK 680	USD 111	807	—
BNP	01/2014	RON 3,150	USD 970	—	1,261
BNP	02/2014	USD 2,178	AUD 2,415	29,630	—
BNP	01/2014	USD 21,818	CAD 23,230	—	44,807
BNP	05/2014	USD 708	DKK 3,890	—	9,645
BNP	01/2014	USD 2,928	EUR 2,135	2,454	11,450
BNP	02/2014	USD 18,213	GBP 11,165	—	268,862
BNP	01/2014 - 06/2014	USD 23,525	MXN 309,600	63,118	85,133
BNP	05/2014	USD 484	NOK 2,980	—	4,399
BNP	01/2014 - 06/2014	USD 13,663	TRY 28,685	580,429	15,902
BOA	01/2014	BRL 21,620	USD 9,242	25,186	103,757
BOA	01/2014	COP 347,000	USD 178	1,409	—
BOA	01/2014 - 01/2014	IDR 53,727,000	USD 4,759	—	364,366
BOA	02/2014 - 05/2014	JPY 10,863,000	USD 106,253	—	3,062,730
BOA	01/2014	MXN 59,600	USD 4,599	—	42,671
BOA	05/2014	PLN 1,890	USD 612	8,255	—
BOA	01/2014	RON 6,160	USD 1,880	13,974	—
BOA	02/2014	THB 271,700	USD 8,549	—	299,544
BOA	01/2014 - 07/2014	USD 23,284	BRL 54,260	466,269	17,845
BOA	01/2014 - 01/2014	USD 9,869	IDR 114,744,000	479,311	—
BOA	02/2014 - 05/2014	USD 110,976	JPY 11,302,000	3,615,674	—
BOA	02/2014 - 06/2014	USD 26,890	MXN 356,895	62,735	275,622
BOA	01/2014	USD 746	PEN 2,080	5,186	—
BOA	02/2014	USD 1,238	ZAR 13,140	—	8,479
CITNA-B	01/2014	CLP 268,000	USD 524	—	15,626
CITNA-B	01/2014 - 02/2014	EUR 50,735	USD 68,994	801,815	—
CITNA-B	01/2014 - 02/2014	GBP 20,835	USD 34,007	488,449	—
CITNA-B	02/2014	HUF 5,000	USD 23	127	—
CITNA-B	02/2014	JPY 288,000	USD 2,811	—	75,904
CITNA-B	02/2014	KRW 4,551,000	USD 4,261	35,937	—
CITNA-B	01/2014 - 01/2014	MXN 237,930	USD 18,351	5,250	159,228
CITNA-B	01/2014	MYR 13,615	USD 4,299	—	148,381
CITNA-B	02/2014 - 05/2014	USD 14,232	AUD 15,770	241,891	—
CITNA-B	05/2014	USD 4,973	CAD 5,275	25,414	—
CITNA-B	01/2014	USD 210	CLP 112,000	—	2,978
CITNA-B	01/2014 - 02/2014	USD 126,315	EUR 93,505	5,218	2,323,786
CITNA-B	01/2014	USD 55,338	GBP 34,435	—	1,681,287
CITNA-B	01/2014 - 05/2014	USD 46,484	MXN 616,800	—	373,972
CITNA-B	01/2014	USD 1,011	NOK 6,000	22,336	—
DEU	01/2014 - 02/2014	EUR 3,490	USD 4,705	96,129	—
DEU	02/2014	GBP 1,210	USD 1,931	72,257	—
DEU	01/2014	PEN 490	USD 174	221	—
DEU	01/2014 - 02/2014	USD 35,578	EUR 26,395	15,641	748,510
DEU	01/2014 - 02/2014	USD 3,991	GBP 2,525	—	189,520
DEU	05/2014	USD 604	PLN 1,890	—	16,303
DEU	05/2014	USD 93	ZAR 990	909	—
DEU	05/2014	ZAR 990	USD 95	—	2,685
FIB	02/2014	CAD 800	USD 769	—	16,976
FIB	02/2014	USD 760	CAD 800	7,420	—

Forward Currency Exchange Contracts (Continued)

Counterparty	Settlement Month(s)	Currency Purchased (000's)	Currency Sold (000's)	Unrealized Appreciation	Unrealized Depreciation
FIB	03/2014	USD 5,965	TRY 12,330	\$ 300,557	\$ —
GSCO-OT	09/2014	AUD 130	USD 123	—	8,665
GSCO-OT	01/2014	BRL 14,230	USD 6,032	26,636	27,557
GSCO-OT	02/2014 - 03/2014	EUR 93,090	USD 127,340	828,052	106,435
GSCO-OT	01/2014	KRW 5,588,000	USD 5,229	58,275	—
GSCO-OT	09/2014	USD 118	AUD 130	4,039	—
GSCO-OT	01/2014 - 01/2015	USD 39,050	BRL 93,285	913,938	18,853
GSCO-OT	02/2014 - 03/2014	USD 132,840	EUR 97,320	105,965	1,147,121
GSCO-OT	09/2014 - 09/2014	USD 1,258	INR 90,200	—	123,867
GSCO-OT	10/2014	USD 458	MXN 6,200	—	6,502
HSBC	03/2014	TRY 10,300	USD 4,939	—	207,054
HSBC	03/2014	USD 9,705	TRY 20,165	450,200	9,196
JPM	01/2014 - 02/2014	BRL 162,593	USD 68,535	486,061	308,086
JPM	01/2014 - 01/2014	IDR 96,878,000	USD 8,547	—	607,190
JPM	01/2014	KRW 4,707,000	USD 4,449	9,017	—
JPM	01/2014	MXN 63,300	USD 4,885	—	45,509
JPM	01/2014 - 02/2014	MYR 69,365	USD 21,645	—	509,068
JPM	01/2014 - 02/2014	PLN 37,980	USD 12,294	257,881	—
JPM	01/2014	RON 6,840	USD 2,090	13,043	—
JPM	05/2014	THB 116,400	USD 3,707	—	184,460
JPM	01/2014 - 10/2014	USD 59,870	BRL 143,630	147,596	474,678
JPM	01/2014	USD 2,233	COP 4,337,000	—	12,769
JPM	01/2014	USD 5,198	EUR 3,800	—	29,868
JPM	04/2014	USD 5,755	HUF 1,293,000	—	191,097
JPM	01/2014 - 01/2014	USD 9,795	IDR 117,139,000	198,396	—
JPM	03/2014	USD 11,097	MXN 146,700	—	82,969
JPM	01/2014	USD 9,712	MYR 31,430	139,589	9,002
JPM	02/2014 - 03/2014	USD 9,925	RUB 331,540	—	72,362
JPM	05/2014	USD 3,845	THB 116,400	322,845	—
JPM	02/2014	USD 1,029	ZAR 10,910	—	6,788
JPM	02/2014	ZAR 28,210	USD 2,726	—	48,956
MSCO	01/2014	BRL 797	USD 335	3,099	—
MSCO	01/2014 - 02/2014	EUR 16,735	USD 22,789	232,962	456
MSCO	01/2014 - 10/2014	MXN 11,100	USD 844	3,553	3,248
MSCO	01/2014	PLN 22,700	USD 7,418	89,319	—
MSCO	07/2014	USD 5,755	BRL 13,300	350,448	—
MSCO	01/2014 - 02/2014	USD 25,389	EUR 18,505	24,750	93,285
MSCO	02/2014 - 04/2014	USD 5,462	HUF 1,230,000	—	195,003
MSCO	04/2014	USD 18,070	MXN 240,700	—	233,272
MSCO	02/2014	USD 246	PLN 750	—	1,410
MSCO	05/2014	USD 960	SEK 6,300	—	17,077
RBS	05/2014 - 05/2014	CHF 995	USD 1,109	8,612	1,110
RBS	01/2014	NOK 6,000	USD 980	9,188	—
RBS	02/2014	PLN 50,520	USD 16,232	436,470	—
RBS	05/2014 - 05/2014	USD 1,209	CHF 1,080	1,033	4,043
RBS	01/2014 - 03/2014	USD 8,914	HUF 1,999,000	—	317,485
RBS	01/2014	USD 1,170	NOK 7,170	—	11,784
RBS	02/2014	USD 2,777	PHP 120,000	60,974	—
RBS	02/2014	USD 302	PLN 920	—	1,981
Total Unrealized Appreciation and Depreciation				\$ 13,161,850	\$ 16,369,483

Futures Contracts as of December 31, 2013

Description	Exchange	Buy/Sell	Expiration Date	Number of Contracts	Unrealized Appreciation (Depreciation)
Australian Treasury Bonds, 10 yr.	SFE	Sell	3/17/14	78	\$ (94,517)
Euro-Bundesobligation	EUX	Sell	3/06/14	20	40,916
U.S. Treasury Long Bonds	CBT	Buy	3/20/14	544	(1,295,975)
U.S. Treasury Long Bonds	CBT	Sell	3/20/14	68	139,039
U.S. Treasury Nts., 2 yr.	CBT	Sell	3/31/14	100	3,080
U.S. Treasury Nts., 2 yr.	CBT	Buy	3/31/14	28	(5,743)
U.S. Treasury Nts., 5 yr.	CBT	Sell	3/31/14	103	163,750
U.S. Treasury Nts., 10 yr.	CBT	Buy	3/20/14	693	(1,291,013)
U.S. Treasury Nts., 10 yr.	CBT	Sell	3/20/14	79	170,017
U.S. Treasury Ultra Bonds	CBT	Buy	3/20/14	197	(523,307)
United Kingdom Treasury Unsec. Bonds	LIF	Sell	3/27/14	14	58,642
United Kingdom Treasury Unsec. Bonds	LIF	Buy	3/27/14	14	11,065
					\$ (2,624,046)

CONSOLIDATED STATEMENT OF INVESTMENTS Continued

Over-the-Counter Options Written at December 31, 2013

Description	Counterparty	Exercise Price	Expiration Date	Number of Contracts	Premiums Received	Value
AUD Currency Put	BOA JPY	70.000	8/4/14	AUD (1,395,000)	\$ 15,678	\$ (2,905)
AUD Currency Put	GSG JPY	70.080	9/10/14	AUD (1,970,000)	17,706	(6,244)
BRL Currency Call	GSG BRL	2.210	1/9/14	BRL (18,990,000)	36,347	0
BRL Currency Put	GSG BRL	2.430	1/9/14	BRL (20,880,000)	102,080	(11,233)
INR Currency Put	GSG INR	100.000	9/3/14	INR (126,500,000)	22,897	(253)
INR Currency Put	GSG INR	98.320	9/2/14	INR (124,800,000)	25,016	(374)
JPY Currency Put	GSG JPY	120.000	5/22/15	JPY (722,000,000)	122,138	(70,034)
JPY Currency Call	GSG JPY	84.550	12/18/15	JPY (446,000,000)	132,033	(80,726)
JPY Currency Put	GSG JPY	108.000	5/23/14	JPY (73,000,000)	5,962	(10,074)
MXN Currency Call	BOA MXN	12.500	1/22/14	MXN (148,650,000)	86,372	(6,689)
MXN Currency Call	BOA MXN	12.350	3/11/14	MXN (191,800,000)	80,618	(30,113)
MXN Currency Put	BOA MXN	13.600	3/11/14	MXN (211,200,000)	146,831	(141,293)
MXN Currency Put	CITNA-B MXN	13.785	1/22/14	MXN (163,950,000)	64,521	(11,476)
MXN Currency Call	GSG MXN	12.250	9/29/14	MXN (16,000,000)	18,090	(11,072)
MXN Currency Put	GSG MXN	15.750	9/29/14	MXN (20,600,000)	27,558	(13,143)
Total of Over-the-Counter Options Written					\$ 903,847	\$ (395,629)

Cleared Credit Default Swaps at December 31, 2013

Reference Asset	Buy/Sell Protection	Fixed Rate	Maturity Date	Notional Amount (000's)	Premiums Received/(Paid)	Value
iTraxx Europe Crossover Series 20	Buy	5.000	12/20/18	EUR 5,835	\$ 611,674	\$ (738,350)

Over-the-Counter Credit Default Swaps at December 31, 2013

Reference Asset	Counterparty	Buy/Sell Protection	Fixed Rate	Maturity Date	Notional Amount (000's)	Premiums Received/(Paid)	Value
Banco Bilbao Vizcaya Argentaria Sociedad Anonima	UBS	Sell	3.000	12/20/17	EUR 125 \$	(60) \$	12,956
Banco Bilbao Vizcaya Argentaria Sociedad Anonima	UBS	Sell	3.000	12/20/17	EUR 125	(60)	12,956
Banco Santander SA	UBS	Sell	3.000	9/20/17	EUR 250	(997)	26,461
Bolivarian Republic of Venezuela	FIB	Buy	5.000	12/20/18	USD 1,290	(245,928)	284,324
Republic of Ireland	GSG	Buy	1.000	3/20/18	USD 660	(27,725)	816
Republic of Ireland	GSG	Buy	1.000	3/20/18	EUR 585	(21,618)	1,109
Republic of Italy	GSG	Sell	1.000	3/20/23	USD 660	105,519	(54,803)
Republic of Peru	DEU	Buy	1.000	12/20/18	USD 3,445	(69,535)	51,445
Ukraine	BOA	Sell	5.000	12/20/18	USD 970	111,726	(111,605)
Ukraine	JPM	Buy	5.000	12/20/18	USD 595	(119,172)	68,459
Total of Over-the-Counter Credit Default Swaps					\$	(267,850) \$	292,118

The table that follows shows the undiscounted maximum potential payment by the Fund related to selling credit protection in credit default swaps:

Total Maximum Potential Payments for Selling Credit Protection (Undiscounted)

Type of Reference Asset on which the Fund Sold Protection	Amount Recoverable*	Reference Asset Rating Range**
Investment Grade Single Name Corporate Debt	500,000 EUR	BBB to BBB-
Investment Grade Sovereign Debt	\$ 660,000	BBB
Non-Investment Grade Sovereign Debt	\$ 970,000	B-
Total EUR	500,000 EUR	
Total USD	\$ 1,630,000	

* Amounts recoverable includes potential payments from related purchased protection for instances where the Fund is the seller of protection. In addition, the Fund has no recourse provisions under the credit derivatives and holds no collateral which can offset or reduce potential payments under a triggering event.

** The period end reference asset security ratings, as rated by any rating organization, are included in the equivalent Standard & Poor's rating category. The reference asset rating represents the likelihood of a potential credit event on the reference asset which would result in a related payment by the Fund.

Cleared Interest Rate Swaps at December 31, 2013

Counterparty	Pay/Receive Floating Rate	Floating Rate	Fixed Rate	Maturity Date	Notional Amount (000's)	Premiums Received / (Paid)	Value
BAC	Receive	Three-Month USD BBA LIBOR	2.183%	11/20/23	USD 2,850	\$ —	\$ 216,352
BAC	Receive	Three-Month USD BBA LIBOR	1.552	12/9/18	USD 19,860	—	182,982
BOA	Pay	Six-Month AUD BBR BBSW	5.490	11/15/23	AUD 2,630	—	(10,301)

Cleared Interest Rate Swaps (Continued)

Counterparty	Pay/Receive	Floating Rate	Floating Rate	Fixed Rate	Maturity Date	Notional Amount (000's)	Premiums Received / (Paid)	Value
BOA	Pay	Three-Month USD	BBA LIBOR	2.403%	12/18/18	USD 33,000	— \$	(499,521)
BOA	Receive	Three-Month USD	BBA LIBOR	2.805	10/21/23	USD 1,455	—	24,832
BOA	Receive	Three-Month USD	BBA LIBOR	2.785	10/15/23	USD 14,630	(13,583)	265,271
BOA	Receive	Three-Month USD	BBA LIBOR	2.810	11/18/23	USD 1,045	—	20,637
BOA	Pay	Six-Month AUD	BBR BBSW	4.585	10/18/23	AUD 1,665	—	8,927
BOA	Receive	Three-Month USD	BBA LIBOR	1.580	10/17/18	USD 28,000	—	76,139
JPM	Receive	Three-Month USD	BBA LIBOR	2.256	11/19/23	USD 2,640	—	182,939
UBS	Receive	Six-Month EUR	EURIBOR	2.254	9/5/23	EUR 2,710	—	(69,924)
UBS	Pay	Six-Month GBP	BBA LIBOR	1.820	12/5/18	GBP 2,620	—	54,857
UBS	Receive	Six-Month EUR	EURIBOR	1.060	12/9/18	EUR 3,935	—	47,491
Total of Cleared Interest Rate Swaps							\$ (13,583)	\$ 500,681

Over-the-Counter Interest Rate Swaps at 12/31/13

Counterparty	Pay/Receive	Floating Rate	Floating Rate	Fixed Rate	Maturity Date	Notional Amount (000's)	Premiums Received / (Paid)	Value
BAC	Pay	MXN TIIE	BANXICO	8.255%	8/10/23	MXN 37,700	— \$	(30,971)
BAC	Pay	Three-Month ZAR	JIBAR SAFEX	6.950	11/12/15	ZAR 47,400	—	12,858
BAC	Pay	Three-Month SEK	STIBOR SIDE	2.175	5/10/23	SEK 5,000	—	(31,760)
BOA	Pay	BZDI		13.230	1/4/16	BRL 56,860	—	92,089
BOA	Pay	Three-Month CAD	BA CDOR	1.660	5/9/16	CAD 6,635	—	(4,297)
DEU	Pay	BZDI		12.850	1/4/16	BRL 28,750	—	14,045
DEU	Pay	BZDI		12.655	1/4/16	BRL 28,370	—	(2,691)
DEU	Pay	BZDI		12.800	1/4/16	BRL 28,770	—	9,757
DEU	Pay	MXN TIIE	BANXICO	6.820	12/14/23	MXN 14,700	—	113
GSG	Pay	Six-Month JPY	BBA LIBOR	0.820	4/15/23	JPY 79,000	—	(1,646)
GSG	Pay	Three-Month ZAR	JIBAR SAFEX	7.000	11/12/15	ZAR 47,400	—	14,929
GSG	Pay	BZDI		12.670	1/4/16	BRL 27,940	—	(1,394)
GSG	Pay	Three-Month ZAR	JIBAR SAFEX	6.990	12/4/15	ZAR 100,400	—	24,614
GSG	Pay	BZDI		13.030	1/4/16	BRL 28,330	—	29,045
GSG	Pay	Three-Month ZAR	JIBAR SAFEX	6.650	11/19/15	ZAR 47,600	—	(494)
GSG	Pay	Three-Month ZAR	JIBAR SAFEX	6.750	11/21/15	ZAR 99,800	—	3,245
GSG	Pay	MXN TIIE	BANXICO	7.730	9/7/33	MXN 40,400	—	(43,337)
GSG	Pay	MXN TIIE	BANXICO	7.900	10/10/23	MXN 45,500	—	(81,158)
GSG	Pay	Three-Month ZAR	JIBAR SAFEX	7.638	8/3/16	ZAR 155,900	—	27,794
GSG	Pay	Three-Month SEK	STIBOR SIDE	1.565	5/3/18	SEK 19,000	—	(28,332)
GSG	Pay	Three-Month ZAR	JIBAR SAFEX	7.000	6/20/15	ZAR 47,400	—	35,869
GSG	Pay	BZDI		12.440	1/4/16	BRL 26,820	—	(19,857)
GSG	Pay	BZDI		12.520	1/4/16	BRL 20,620	—	(10,308)
GSG	Pay	BZDI		12.703	1/4/16	BRL 56,220	—	2,667
HSBC	Pay	MXN TIIE	BANXICO	7.775	7/28/23	MXN 38,600	—	(75,947)

CONSOLIDATED STATEMENT OF INVESTMENTS Continued

Over-the-Counter Interest Rate Swaps Continued

Counterparty	Pay/Receive	Floating Rate	Floating Rate	Fixed Rate	Maturity Date	Notional Amount (000's)	Premiums Received / (Paid)	Value
JPM	Pay	Three-Month ZAR	JIBAR SAFEX	7.920%	6/20/16	ZAR 98,600 \$	— \$	53,898
JPM	Pay	Three-Month ZAR	JIBAR SAFEX	6.700	11/19/15	ZAR 95,200	—	3,166
JPM	Pay	Three-Month ZAR	JIBAR SAFEX	6.450	7/2/15	ZAR 86,000	—	21,011
JPM	Pay	Three-Month ZAR	JIBAR SAFEX	6.760	11/21/15	ZAR 47,700	—	1,967
JPM	Pay	BZDI		12.490	1/4/16	BRL 27,410	—	(16,173)
JPM	Pay	BZDI		12.810	1/4/16	BRL 27,970	—	10,321
Total Over-the-Counter Interest Rate Swaps							\$ — \$	<u>9,023</u>

Over-the-Counter Credit Default Swaptions Written at December 31, 2013

Description	Counterparty	Buy/Sell	Reference Asset	Fixed Rate	Expiration Date	Notional Amount (000's)	Premiums Received	Value
Credit Default Swap maturing 12/20/18 Call	JPM	Sell	CDX.NA.HY.21	5.000%	1/15/14	USD 1,805 \$	3,790 \$	(8)
Credit Default Swap maturing 12/20/18 Call	JPM	Sell	CDX.NA.HY.21	5.000	1/15/14	USD 1,805	8,122	(25,122)
Credit Default Swap maturing 12/20/18 Call	JPM	Sell	CDX.NA.HY.21	5.000	1/15/14	USD 1,805	8,483	(25,122)
Credit Default Swap maturing 12/20/18 Call	JPM	Sell	CDX.NA.HY.21	5.000	1/15/14	USD 1,805	3,249	(8)
Credit Default Swap maturing 12/20/18 Call	JPM	Sell	CDX.NA.HY.21	5.000	2/19/14	USD 675	1,823	(309)
Credit Default Swap maturing 12/20/18 Call	JPM	Sell	CDX.NA.HY.21	5.000	2/19/14	USD 675	4,118	(8,872)
Credit Default Swap maturing 12/20/18 Call	JPM	Sell	iTraxx Europe Series 20 Version 1	1.000	2/19/14	EUR 14,585	19,799	(24,546)
Credit Default Swap maturing 12/20/18 Call	JPM	Sell	iTraxx Europe Series 20 Version 1	1.000	2/19/14	EUR 14,585	15,839	(2,103)
Total of Over-the-Counter Credit Default Swaptions Written							\$ 65,223 \$	<u>(86,090)</u>

Over-the-Counter Interest Rate Swaptions Written at December 31, 2013

Description	Counterparty	Pay/Receive	Floating Rate	Fixed Rate	Expiration Date	Notional Amount (000's)	Premiums Received	Value
Interest Rate Swap maturing 1/10/19 Call	BAC	Receive	Three-Month USD BBA LIBOR	1.485%	1/8/14	USD 28,960 \$	75,296 \$	(8)
Interest Rate Swap maturing 2/3/18 Call	BAC	Pay	Six-Month EUR EURIBOR	1.440	1/30/14	EUR 29,160	117,457	(121,789)
Interest Rate Swap maturing 11/3/19 Call	BAC	Pay	Six-Month GBP BBA LIBOR	2.175	11/3/14	GBP 2,655	71,650	(123,435)
Interest Rate Swap maturing 2/3/18 Call	BAC	Pay	Six-Month EUR EURIBOR	1.457	1/30/14	EUR 38,965	159,617	(151,170)
Interest Rate Swap maturing 1/14/19 Call	BAC	Pay	Six-Month GBP BBA LIBOR	1.750	1/14/14	GBP 5,280	69,354	(168,394)
Interest Rate Swap maturing 1/24/17 Call	BAC	Receive	Six-Month EUR EURIBOR	0.810	1/22/14	EUR 3,965	14,745	(9,568)
Interest Rate Swap maturing 12/27/23 Call	BAC	Pay	MXN TIE BANXICO	6.580	1/7/14	MXN 37,200	70,205	(71,571)
Interest Rate Swap maturing 5/8/19 Call	BAC	Receive	Three-Month USD BBA LIBOR	1.400	5/6/14	USD 17,550	40,365	(4,438)
Interest Rate Swap maturing 4/27/22 Call	BAC	Pay	Three-Month USD BBA LIBOR	3.100	4/25/17	USD 20,415	528,749	(1,199,811)
Interest Rate Swap maturing 11/25/19 Call	BAC	Pay	Six-Month GBP BBA LIBOR	2.273	11/25/14	GBP 5,410	151,190	(239,592)
Interest Rate Swap maturing 6/1/33 Call	BAC	Pay	Six-Month EUR EURIBOR	3.117	5/30/23	EUR 1,345	118,392	(139,199)

Over-the-Counter Interest Rate Swaptions Written Continued

Description	Counterparty	Pay/Receive	Floating Rate	Fixed Rate	Expiration Date	Notional Amount (000's)	Premiums Received	Value
Interest Rate Swap maturing 11/4/19 Call	BAC	Pay	Six-Month GBP BBA LIBOR	2.178	11/4/14	GBP	3,995 \$	107,701 \$ (185,170)
Interest Rate Swap maturing 1/29/19 Call	BOA	Pay	Three-Month CAD BA CDOR	2.178	1/29/14	CAD	2,645	16,141 (18,122)
Interest Rate Swap maturing 5/8/19 Call	BOA	Receive	Three-Month USD BBA LIBOR	1.400	5/6/14	USD	29,250	68,738 (7,396)
Interest Rate Swap maturing 2/3/18 Call	BOA	Pay	Six-Month EUR EURIBOR	1.433	1/30/14	EUR	17,495	70,470 (75,435)
Interest Rate Swap maturing 5/8/19 Call	BOA	Pay	Three-Month USD BBA LIBOR	2.000	5/6/14	USD	29,250	219,375 (299,153)
Interest Rate Swap maturing 1/2/24 Call	BOA	Pay	MXN TIIE BANXICO	6.060	1/13/14	MXN	6,630	19,218 (32,788)
Interest Rate Swap maturing 7/27/26 Call	BOA	Pay	Three-Month USD BBA LIBOR	3.960	7/25/16	USD	14,750	798,558 (915,536)
Interest Rate Swap maturing 8/4/21 Call	BOA	Pay	Three-Month USD BBA LIBOR	4.860	8/2/16	USD	5,515	82,725 (92,306)
Interest Rate Swap maturing 12/4/20 Call	GSG	Pay	Six-Month GBP BBA LIBOR	2.055	12/4/15	GBP	5,020	189,330 (470,592)
Interest Rate Swap maturing 1/27/18 Call	GSG	Pay	Six-Month EUR EURIBOR	1.500	1/23/14	EUR	6,600	26,835 (17,949)
Interest Rate Swap maturing 2/12/24 Call	JPM	Pay	Three-Month USD BBA LIBOR	3.275	2/10/14	USD	11,730	78,591 (57,194)
Interest Rate Swap maturing 5/13/24 Call	JPM	Pay	Six-Month AUD BBR BBSW	4.075	5/12/14	AUD	1,330	34,620 (61,914)
Interest Rate Swap maturing 5/8/29 Call	JPM	Pay	Three-Month USD BBA LIBOR	3.473	5/6/14	USD	18,775	537,904 (776,439)
Interest Rate Swap maturing 12/27/23 Call	JPM	Pay	MXN TIIE BANXICO	6.585	1/7/14	MXN	36,600	72,456 (69,479)
Interest Rate Swap maturing 4/10/19 Call	JPM	Pay	Three-Month USD BBA LIBOR	2.645	4/8/14	USD	28,960	94,844 (41,093)
Interest Rate Swap maturing 1/3/24 Call	JPM	Pay	MXN TIIE BANXICO	6.280	1/14/14	MXN	2,600	4,743 (9,622)
Interest Rate Swap maturing 1/28/17 Call	UBS	Receive	Six-Month EUR EURIBOR	0.835	1/24/14	EUR	17,460	66,880 (52,335)
Interest Rate Swap maturing 5/23/18 Call	UBS	Pay	Six-Month GBP BBA LIBOR	1.545	5/23/16	GBP	2,675	35,371 (123,285)
Interest Rate Swap maturing 3/7/24 Call	UBS	Receive	Six-Month EUR EURIBOR	2.510	3/5/14	EUR	2,620	68,738 (103,764)
Total of Over-the-Counter Interest Rate Swaptions Written							\$ 4,010,258	\$ (5,638,547)

Glossary:
Counterparty Abbreviations

BAC	Barclays Bank plc
BNP	BNP Paribas
BOA	Bank of America NA
CITNA-B	Citibank NA
DEU	Deutsche Bank Securities, Inc.
FIB	Credit Suisse International
GSCO-OT	Goldman Sachs Bank USA
GSG	Goldman Sachs Group, Inc. (The)
HSBC	HSBC bank USA NA
JPM	JPMorgan Chase Bank NA
MSCO	Morgan Stanley Capital Services, Inc.
RBS	RBS Greenwich Capital
UBS	UBS AG

CONSOLIDATED STATEMENT OF INVESTMENTS Continued

Currency abbreviations indicate amounts reporting in currencies

AUD	Australian Dollar
BRL	Brazilian Real
CAD	Canadian Dollar
CHF	Swiss Franc
CLP	Chilean Peso
CNH	Offshore Chinese Renminbi
COP	Colombian Peso
DKK	Danish Krone
EUR	Euro
GBP	British Pound Sterling
HUF	Hungarian Forint
IDR	Indonesian Rupiah
INR	Indian Rupee
KRW	South Korean Won
JPY	Japanese Yen
MXN	Mexican Nuevo Peso
MYR	Malaysian Ringgit
NOK	Norwegian Krone
PEN	Peruvian New Sol
PHP	Philippines Peso
PLN	Polish Zloty
RON	New Romanian Leu
SEK	Swedish Krona
THB	Thailand Baht
TRY	New Turkish Lira
RUB	Russian Ruble
ZAR	South African Rand

Definitions

BA CDOR	Canada Bankers Acceptances Deposit Offering Rate
BBA LIBOR	British Bankers' Association London –Interbank Offered Rate
BBR BBSW	Bank Bill Swap Reference Rate (Australian Financial Market)
BANXICO	Banco de Mexico
BZDI	Brazil Interbank Deposit Rate
CDX.NA.HY.21	Markit CDX North American High Yield
EURIBOR	Euro Interbank Offered Rate
iTraxx Europe Crossover Series 20	Credit Default Swap Trading Index for a Specific Basket of Securities
iTraxx Europe Series 20 Version 1	Credit Default Swap Trading Index for a Specific Basket of Securities
JIBAR	South Africa Johannesburg Interbank Agreed Rate
SAFEX	South Africa Futures Exchange
STIBOR SIDE	Stockholm Interbank Offered Rate
TIE	Interbank Equilibrium Interest Rate

Exchange Abbreviations

CBT	Chicago Board of Trade
EUX	European Stock Exchanges
LIF	London International Financial Futures and Options Exchange
SFE	Sydney Futures Exchange

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

December 31, 2013

Assets	
Investments, at value—see accompanying consolidated statement of investments:	
Unaffiliated companies (cost \$2,355,212,206)	\$ 2,334,255,838
Affiliated companies (cost \$149,468,706)	151,369,768
	<u>2,485,625,606</u>
Cash	613,299
Cash—foreign currencies (cost \$16)	16
Cash used for collateral on Centrally Cleared Swaps	2,760,155
Unrealized appreciation on foreign currency exchange contracts	13,161,850
Swaps, at value (premiums paid \$485,095)	815,914
Receivables and other assets:	
Investments sold (including \$16,310,026 sold on a when-issued or delayed delivery basis)	52,237,197
Interest, dividends and principal paydowns	24,773,569
Shares of beneficial interest sold	14,338,700
Variation margin receivable	1,090,082
Other	161,590
Total assets	<u>2,595,577,978</u>
Liabilities	
Unrealized depreciation on foreign currency exchange contracts	16,369,483
Options written, at value (premiums received \$903,847)	395,629
Swaps, at value (premiums received \$217,245)	514,773
Swaptions written, at value (premiums received \$4,075,481)	5,724,637
Payables and other liabilities:	
Investments purchased (including \$113,411,571 purchased on a when-issued or delayed delivery basis)	113,412,125
Variation margin payable	1,828,892
Shares of beneficial interest redeemed	1,429,946
Distribution and service plan fees	375,467
Transfer and shareholder servicing agent fees	207,393
Shareholder communications	103,908
Trustees' compensation	81,062
Other	367,485
Total liabilities	<u>140,810,800</u>
Net Assets	<u>\$ 2,454,767,178</u>
Composition of Net Assets	
Par value of shares of beneficial interest	\$ 449,575
Additional paid-in capital	2,444,017,008
Accumulated net investment income	119,930,049
Accumulated net realized loss on investments and foreign currency transactions	(84,048,360)
Net unrealized depreciation on investments and translation of assets and liabilities denominated in foreign currencies	(25,581,094)
Net Assets	<u>\$ 2,454,767,178</u>
Net Asset Value Per Share	
Non-Service Shares:	
Net asset value, redemption price (excludes applicable contingent deferred sales charge) and offering price per share (based on net assets of \$738,740,778 and 137,365,988 shares of beneficial interest outstanding)	\$5.38
Service Shares:	
Net asset value, redemption price (excludes applicable contingent deferred sales charge) and offering price per share (based on net assets of \$1,716,026,400 and 312,209,152 shares of beneficial interest outstanding)	\$5.50

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF OPERATIONS

For the Year Ended December 31, 2013

Allocation of Income and Expenses from master funds¹

Net investment income allocated from Oppenheimer Master Event-Linked Bond Fund, LLC:

Interest	\$ 5,252,251
Dividends	2,586
Net Expenses	(272,412)

Net investment income allocated from Oppenheimer Master Event-Linked Bond Fund, LLC 4,982,425

Net investment income allocated from Oppenheimer Master Loan Fund, LLC

Interest	6,380,556
Dividends	2,953
Net Expenses	(312,486)

Net investment income allocated from Oppenheimer Master Loan Fund, LLC 6,071,023

Total allocation of net investment income from master funds 11,053,448

Investment Income

Interest:

Unaffiliated companies (net of foreign withholding taxes of \$35,402) 128,718,858

Fee income on when-issued securities 6,920,497

Dividends:

Unaffiliated companies (net of foreign withholding taxes of \$62,351) 433,942

Affiliated companies 134,675

Total investment income 136,207,972

Expenses

Management fees 14,537,604

Distribution and service plan fees—Service shares 4,498,180

Transfer and shareholder servicing agent fees:

Non-Service shares 736,800

Service shares 1,799,541

Shareholder communications:

Non-Service shares 135,204

Service shares 324,360

Custodian fees and expenses 347,858

Trustees' compensation 75,220

Other 314,494

Total expenses 22,769,261

Less waivers and reimbursements of expenses (637,303)

Net expenses 22,131,958

Net Investment Income 125,129,462

Realized and Unrealized Gain (Loss)	
Net realized gain (loss) on:	
Investments from:	
Unaffiliated companies (includes premiums on options and swaptions exercised)	\$ (12,484,014)
Closing and expiration of option contracts written	9,039,937
Closing and expiration of futures contracts	(15,395,253)
Closing and expiration of swaption contracts written	(2,229,547)
Foreign currency transactions	(40,780,206)
Swap contracts	(4,082,177)
Net realized gain allocated from:	
Oppenheimer Master Event-Linked Bond Fund, LLC	42,005
Oppenheimer Master Loan Fund, LLC	5,434,614
Net realized gain	(60,454,641)
Net change in unrealized appreciation/depreciation on:	
Investments	(55,705,514)
Translation of assets and liabilities denominated in foreign currencies	(13,713,694)
Futures contracts	(1,271,632)
Option contracts written	(50,307)
Swap contracts	402,759
Swaption contracts written	(1,501,532)
Net change in unrealized appreciation/depreciation allocated from:	
Oppenheimer Master Event-Linked Bond Fund, LLC	1,990,398
Oppenheimer Master Loan Fund, LLC	(3,700,722)
Net change in unrealized appreciation/depreciation	(73,550,244)
Net Decrease in Net Assets Resulting from Operations	\$ (8,875,423)

1. The Fund invests in certain affiliated funds that expect to be treated as partnerships for tax purposes. See Note 1 of the accompanying Consolidated Notes.

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended December 31, 2013	Year Ended December 31, 2012 ¹
Operations		
Net investment income	\$ 125,129,462	\$ 140,214,643
Net realized gain (loss)	(60,454,641)	(35,412,937)
Net change in unrealized appreciation/depreciation	(73,550,244)	192,342,982
Net increase (decrease) in net assets resulting from operations	(8,875,423)	297,144,688
Dividends and/or Distributions to Shareholders		
Dividends from net investment income:		
Non-Service shares	(36,272,242)	(41,097,829)
Service shares	(83,922,335)	(95,632,597)
	(120,194,577)	(136,730,426)
Distributions from net realized gain:		
Non-Service shares	—	(7,582,316)
Service shares	—	(18,415,501)
	—	(25,997,817)
Beneficial Interest Transactions		
Net increase (decrease) in net assets resulting from beneficial interest transactions:		
Non-Service shares	33,900,242	56,198,952
Service shares	(32,780,220)	139,111,661
	1,120,022	195,310,613
Net Assets		
Total increase (decrease)	(127,949,978)	329,727,058
Beginning of period	2,582,717,156	2,252,990,098
End of period (including accumulated net investment income of \$119,930,049 and \$132,294,431, respectively)	\$ 2,454,767,178	\$ 2,582,717,156

1. Certain amounts have been restated to reflect a change in method of accounting. See Note 1 of the accompanying Consolidated Notes.

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED FINANCIAL HIGHLIGHTS

	Year Ended December 31, 2013	Year Ended December 31, 2012 ¹	Year Ended December 30, 2011 ^{1,2}	Year Ended December 31, 2010	Year Ended December 31, 2009
Non-Service Shares					
Per Share Operating Data					
Net asset value, beginning of period	\$ 5.67	\$ 5.38	\$ 5.58	\$ 5.30	\$ 4.49
Income (loss) from investment operations:					
Net investment income ³	0.28	0.33	0.36	0.34	0.30
Net realized and unrealized gain (loss)	(0.29)	0.36	(0.31)	0.40	0.53
Total from investment operations	(0.01)	0.69	0.05	0.74	0.83
Dividends and/or distributions to shareholders:					
Dividends from net investment income	(0.28)	(0.34)	(0.18)	(0.46)	(0.02)
Distributions from net realized gain	0.00	(0.06)	(0.07)	0.00	0.00 ⁴
Total dividends and distributions to shareholders	(0.28)	(0.40)	(0.25)	(0.46)	(0.02)
Net asset value, end of period	\$ 5.38	\$ 5.67	\$ 5.38	\$ 5.58	\$ 5.30
Total Return, at Net Asset Value⁵	(0.13)%	13.53%	0.85%	14.97%	18.83%
Ratios/Supplemental Data					
Net assets, end of period (in thousands)	\$ 738,741	\$ 741,996	\$ 648,084	\$ 771,755	\$ 757,772
Average net assets (in thousands)	\$ 734,707	\$ 690,351	\$ 694,868	\$ 737,071	\$ 681,926
Ratios to average net assets: ^{6,7}					
Net investment income	5.12%	6.01%	6.50%	6.47%	6.20%
Total expenses ⁸	0.74%	0.77%	0.77%	0.75%	0.67%
Expenses after payments, waivers and/or reimbursements and reduction to custodian expenses	0.72%	0.71%	0.71%	0.71%	0.64%
Portfolio turnover rate ⁹	107%	78%	49%	99%	110%

1. Certain amounts have been restated to reflect a change in a method of accounting. See Note 1 of the accompanying Consolidated Notes.

2. December 30, 2011 represents the last business day of the Fund's 2011 reporting period.

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

4. Less than \$0.005 per share.

5. Assumes an initial 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.

6. Annualized for periods less than one full year.

7. Includes the Fund's share of the allocated expenses and/or net investment income from the master funds.

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

Year Ended December 31, 2013	0.74%
Year Ended December 31, 2012	0.77%
Year Ended December 30, 2011	0.77%
Year Ended December 31, 2010	0.75%
Year Ended December 31, 2009	0.68%

9. The portfolio turnover rate excludes purchase and sale transactions of To Be Announced (TBA) mortgage-related securities as follows:

	Purchase Transactions	Sale Transactions
Year Ended December 31, 2013	\$4,294,357,677	\$4,679,296,373
Year Ended December 31, 2012	\$3,862,820,437	\$3,466,796,233
Year Ended December 31, 2011	\$1,050,654,783	\$1,039,506,614
Year Ended December 31, 2010	\$1,034,550,699	\$1,085,289,655
Year Ended December 31, 2009	\$1,909,574,925	\$1,836,038,328

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED FINANCIAL HIGHLIGHTS Continued

	Year Ended December 31, 2013	Year Ended December 31, 2012 ¹	Year Ended December 30, 2011 ^{1,2}	Year Ended December 31, 2010	Year Ended December 31, 2009
Service Shares					
Per Share Operating Data					
Net asset value, beginning of period	\$ 5.79	\$ 5.49	\$ 5.68	\$ 5.38	\$ 4.56
Income (loss) from investment operations:					
Net investment income ³	0.27	0.33	0.35	0.33	0.29
Net realized and unrealized gain (loss)	(0.29)	0.36	(0.31)	0.42	0.54
Total from investment operations	(0.02)	0.69	0.04	0.75	0.83
Dividends and/or distributions to shareholders:					
Dividends from net investment income	(0.27)	(0.33)	(0.16)	(0.45)	(0.01)
Distributions from net realized gain	0.00	(0.06)	(0.07)	0.00	0.00 ⁴
Total dividends and distributions to shareholders	(0.27)	(0.39)	(0.23)	(0.45)	(0.01)
Net asset value, end of period	\$ 5.50	\$ 5.79	\$ 5.49	\$ 5.68	\$ 5.38
Total Return, at Net Asset Value⁵	(0.37)%	13.15%	0.65%	14.77%	18.41%
Ratios/Supplemental Data					
Net assets, end of period (in thousands)	\$ 1,716,026	\$ 1,840,721	\$ 1,604,906	\$ 1,670,340	\$ 3,656,726
Average net assets (in thousands)	\$ 1,794,640	\$ 1,715,995	\$ 1,673,715	\$ 2,485,427	\$ 3,143,836
Ratios to average net assets: ^{6,7}					
Net investment income	4.88%	5.76%	6.25%	6.15%	5.95%
Total expenses ⁸	0.99%	1.02%	1.02%	0.99%	0.92%
Expenses after payments, waivers and/or reimbursements and reduction to custodian expenses	0.97%	0.96%	0.96%	0.95%	0.89%
Portfolio turnover rate ⁹	107 %	78 %	49 %	99 %	110 %

1. Certain amounts have been restated to reflect a change in a method of accounting. See Note 1 of the accompanying Consolidated Notes.

2. December 30, 2011 represents the last business day of the Fund's 2011 reporting period.

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

4. Less than \$0.005 per share.

5. Assumes an initial 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.

6. Annualized for periods less than one full year.

7. Includes the Fund's share of the allocated expenses and/or net investment income from the master funds.

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

Year Ended December 31, 2013	0.99%
Year Ended December 31, 2012	1.02%
Year Ended December 30, 2011	1.02%
Year Ended December 31, 2010	0.99%
Year Ended December 31, 2009	0.93%

9. The portfolio turnover rate excludes purchase and sale transactions of To Be Announced (TBA) mortgage-related securities as follows:

	Purchase Transactions	Sale Transactions
Year Ended December 31, 2013	\$4,294,357,677	\$4,679,296,373
Year Ended December 31, 2012	\$3,862,820,437	\$3,466,796,233
Year Ended December 31, 2011	\$1,050,654,783	\$1,039,506,614
Year Ended December 31, 2010	\$1,034,550,699	\$1,085,289,655
Year Ended December 31, 2009	\$1,909,574,925	\$1,836,038,328

See accompanying Notes to Consolidated Financial Statements.

1. Significant Accounting Policies

Oppenheimer Global Strategic Income Fund/VA (the "Fund") is a separate series of Oppenheimer Variable Account Funds, a diversified open-end management investment company registered under the Investment Company Act of 1940, as amended. The Fund's main investment objective is to seek total return. The Fund's investment adviser is OFI Global Asset Management, Inc. ("OFI Global" or the "Manager"), a wholly-owned subsidiary of OppenheimerFunds, Inc. ("OFI" or the "Sub-Adviser"). The Manager has entered into a sub-advisory agreement with OFI. Shares of the Fund are sold only to separate accounts of life insurance companies.

The Fund offers two classes of shares. Both classes are sold at their offering price, which is the net asset value per share, to separate investment accounts of participating insurance companies as an underlying investment for variable life insurance policies, variable annuity contracts or other investment products. The class of shares designated as Service shares is subject to a distribution and service plan. Both classes of shares have identical rights and voting privileges with respect to the Fund in general and exclusive voting rights on matters that affect that class alone. Earnings, net assets and net asset value per share may differ due to each class having its own expenses, such as transfer and shareholder servicing agent fees and shareholder communications, directly attributable to that class.

The following is a summary of significant accounting policies consistently followed by the Fund.

Change in Method of Accounting. The accompanying financial statements reflect the financial position of the Fund and its Subsidiary and the results of operations on a consolidated basis. Prior to June 28, 2013, the Subsidiary was shown as an investment of the Fund on the Statement of Investments and the financial statements of the Subsidiary were presented along with the Fund. The staff of the Securities and Exchange Commission has recently commented on their preference to have wholly-owned Cayman investment funds consolidated into the parent fund's financial statements. Management of the Fund implemented the change in policy because it is a more effective method of providing transparency into the Fund's holdings and operations. Accordingly, as a result of the change in method of accounting, the Fund consolidates the assets and liabilities as well as the operations of the Subsidiary within its financial statements. The result of the policy change did not have an impact on total net assets of the Fund, however it resulted in the following changes to the financial statements. As of the beginning of the Fund's fiscal period, the financial statement line items on the Consolidated Statement of Assets and Liabilities were affected by the change as follows: cash increased \$1,455,203; payables and other liabilities increased \$20,236 and investments at value, wholly-owned subsidiary decreased \$1,434,967. For the year ended December 31, 2013, the financial statement line items on the Consolidated Statements of Operations and Changes in Net Assets were affected by the change as follows: net investment income includes a net investment loss from the Subsidiary of \$44,838. For the year ended December 31, 2012, the following changes were made to the Consolidated Statement of Changes in Net Assets: net investment income decreased \$47,552 and net change in unrealized appreciation increased by \$47,552. The changes to the Consolidated Financial Highlights were immaterial.

Structured Securities. The Fund invests in structured securities whose market values, interest rates and/or redemption prices are linked to the performance of underlying foreign currencies, interest rate spreads, stock market indices, prices of individual securities, commodities or other financial instruments or the occurrence of other specific events. The structured securities are often leveraged, increasing the volatility of each note's market value relative to the change in the underlying linked financial element or event. Fluctuations in value of these securities are recorded as unrealized gains and losses in the accompanying Consolidated Statement of Operations. The Fund records a realized gain or loss when a structured security is sold or matures.

Securities on a When-Issued or Delayed Delivery Basis. The Fund may purchase securities on a "when-issued" basis, and may purchase or sell securities on a "delayed delivery" basis. "When-issued" or "delayed delivery" refers to securities whose terms and indenture are available and for which a market exists, but which are not available for immediate delivery. Delivery and payment for securities that have been purchased by the Fund on a when-issued basis normally takes place within six months and possibly as long as two years or more after the trade date. During this period, such securities do not earn interest, are subject to market fluctuation and may increase or decrease in value prior to their delivery. The purchase of securities on a when-issued basis may increase the volatility of the Fund's net asset value to the extent the Fund executes such transactions while remaining substantially fully invested. When the Fund engages in when-issued or delayed delivery transactions, it relies on the buyer or seller, as the case may be, to complete the transaction. Their failure to do so may cause the Fund to lose the opportunity to obtain or dispose of the security at a price and yield it considers advantageous. The Fund may also sell securities that it purchased on a when-issued basis or forward commitment prior to settlement of the original purchase.

As of December 31, 2013, the Fund had purchased securities issued on a when-issued or delayed delivery basis and sold securities issued on a delayed delivery basis as follows:

	When-Issued or Delayed Delivery Basis Transactions
Purchased securities	\$113,411,571
Sold securities	16,310,026

The Fund may enter into "forward roll" transactions with respect to mortgage-related securities. In this type of transaction, the Fund sells a mortgage-related security to a buyer and simultaneously agrees to repurchase a similar security (same type, coupon and maturity) at a later date at a set price. During the period between the sale and the repurchase, the Fund will not be entitled to receive interest and principal payments on the securities that have been sold. The Fund records the incremental difference between the forward purchase and sale of each forward roll as realized gain (loss) on investments or as fee income in the case of such transactions that have an associated fee in lieu of a difference in the forward purchase and sale price.

1. Significant Accounting Policies (Continued)

Forward roll transactions may be deemed to entail embedded leverage since the Fund purchases mortgage-related securities with extended settlement dates rather than paying for the securities under a normal settlement cycle. This embedded leverage increases the Fund's market value of investments relative to its net assets which can incrementally increase the volatility of the Fund's performance. Forward roll transactions can be replicated over multiple settlement periods.

Risks of entering into forward roll transactions include the potential inability of the counterparty to meet the terms of the agreement; the potential of the Fund to receive inferior securities at redelivery as compared to the securities sold to the counterparty; and counterparty credit risk.

Credit Risk. The Fund invests in high-yield, non-investment-grade bonds, which may be subject to a greater degree of credit risk. Credit risk relates to the ability of the issuer to meet interest or principal payments or both as they become due. The Fund may acquire securities that have missed an interest payment, and is not obligated to dispose of securities whose issuers or underlying obligors subsequently miss an interest payment. Information concerning securities not accruing interest as of December 31, 2013 is as follows:

Cost	\$14,336,764
Market Value	\$512,683
Market value as % of Net Assets	0.02%

Sovereign Debt Risk. The Fund invests in sovereign debt securities, which are subject to certain special risks. These risks include, but are not limited to, the risk that a governmental entity may delay or refuse, or otherwise be unable, to pay interest or repay the principal on its sovereign debt. There may also be no legal process for collecting sovereign debt that a government does not pay or bankruptcy proceedings through which all or part of such sovereign debt may be collected. In addition, a restructuring or default of sovereign debt may also cause additional impacts to the financial markets, such as downgrades to credit ratings, reduced liquidity and increased volatility, among others.

Investment in Oppenheimer Global Strategic Income Fund (Cayman) Ltd. The Fund may invest up to 25% of its total assets in Oppenheimer Global Strategic Income Fund (Cayman) Ltd., a wholly-owned and controlled Cayman Islands subsidiary (the "Subsidiary"). The Subsidiary invests primarily in commodity-linked derivatives (including commodity related futures, options and swap contracts), exchange traded funds and certain fixed-income securities and other investments that may serve as margin or collateral for its derivatives positions. Investments in the Subsidiary are expected to provide the Fund with exposure to commodities markets within the limitations of the federal tax requirements that apply to the Fund. The Subsidiary is subject to the same investment restrictions and guidelines, and follows the same compliance policies and procedures, as the Fund. The Fund wholly owns and controls the Subsidiary, and the Fund and Subsidiary are both managed by the Manager. The financial statements have been consolidated and include accounts of the Fund and the Subsidiary. Accordingly, all inter-company transactions and balances have been eliminated.

For tax purposes, the Subsidiary is an exempted Cayman investment company. The Subsidiary has received an undertaking from the Government of the Cayman Islands exempting it from all local income, profits and capital gains taxes through September of 2030. No such taxes are levied in the Cayman Islands at the present time. For U.S. income tax purposes, the Subsidiary is a Controlled Foreign Corporation and as such is not subject to U.S. income tax. However, as a wholly-owned Controlled Foreign Corporation, the Subsidiary's net income and capital gain, to the extent of its earnings and profits, will be included each year in the Fund's investment company taxable income. For the year ended December 31, 2013, the Subsidiary has a deficit of \$44,838 in its taxable earnings and profits. In addition, any in-kind capital contributions made by the Fund to the Subsidiary will result in the Fund recognizing taxable gain to the extent of unrealized gain, if any, on securities transferred to the Subsidiary while any unrealized losses on securities so transferred will not be recognized at the time of transfer.

The financial statements have been consolidated and include accounts of the Fund and the Subsidiary. Accordingly, all inter-company transactions and balances have been eliminated. At December 31, 2013, the Fund owned 15,000 shares with a market value of \$1,390,129.

Investment in Oppenheimer Institutional Money Market Fund. The Fund is permitted to invest daily available cash balances in an affiliated money market fund. The Fund may invest the available cash in Class E shares of Oppenheimer Institutional Money Market Fund ("IMMF") to seek current income while preserving liquidity. IMMF is a registered open-end management investment company, regulated as a money market fund under the Investment Company Act of 1940, as amended. The Manager is the investment adviser of IMMF, and the Sub-Adviser provides investment and related advisory services to IMMF. When applicable, the Fund's investment in IMMF is included in the Consolidated Statement of Investments. Shares of IMMF are valued at their net asset value per share. As a shareholder, the Fund is subject to its proportional share of IMMF's Class E expenses, including its management fee. The Manager will waive fees and/or reimburse Fund expenses in an amount equal to the indirect management fees incurred through the Fund's investment in IMMF.

Investment in Oppenheimer Master Funds. The Fund is permitted to invest in entities sponsored and/or advised by the Manager or an affiliate. Certain of these entities in which the Fund invests are mutual funds registered under the Investment Company Act of 1940 that expect to be treated as partnerships for tax purposes, specifically Oppenheimer Master Loan Fund, LLC and Oppenheimer Master Event-Linked Bond Fund, LLC (the "Master Funds"). Each Master Fund has its own investment risks, and those risks can affect the value of the Fund's investments and therefore the value of the Fund's shares. To the extent that the Fund invests more of its assets in one Master Fund than in another, the Fund will have greater exposure to the risks of that Master Fund.

The investment objective of Oppenheimer Master Loan Fund, LLC is to seek as high a level of current income and preservation of capital as is consistent with investing primarily in loans and other debt securities. The investment objective of Oppenheimer Master Event-Linked Bond Fund, LLC is to seek a high level of current income principally derived from interest on debt securities. The Fund's investments in the Master Funds are included in the

1. Significant Accounting Policies (Continued)

Consolidated Statement of Investments. The Fund recognizes income and gain/(loss) on its investments in each Master Fund according to its allocated pro-rata share, based on its relative proportion of total outstanding Master Fund shares held, of the total net income earned and the net gain/(loss) realized on investments sold by the Master Funds. As a shareholder, the Fund is subject to its proportional share of the Master Funds' expenses, including their management fee. The Manager will waive fees and/or reimburse Fund expenses in an amount equal to the indirect management fees incurred through the Fund's investment in the Master Funds.

Foreign Currency Translation. The Fund's accounting records are maintained in U.S. dollars. The values of securities denominated in foreign currencies and amounts related to the purchase and sale of foreign securities and foreign investment income are translated into U.S. dollars as of the close of the New York Stock Exchange (the "Exchange"), normally 4:00 P.M. Eastern time, on each day the Exchange is open for trading. Foreign exchange rates may be valued primarily using a reliable bank, dealer or service authorized by the Board of Trustees.

Reported net realized gains and losses from foreign currency transactions arise from sales of portfolio securities, sales and maturities of short-term securities, sales of foreign currencies, exchange rate fluctuations between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized appreciation and depreciation on the translation of assets and liabilities denominated in foreign currencies arise from changes in the values of assets and liabilities, including investments in securities at fiscal period end, resulting from changes in exchange rates.

The effect of changes in foreign currency exchange rates on investments is separately identified from the fluctuations arising from changes in market values of securities held and reported with all other foreign currency gains and losses in the Fund's Consolidated Statement of Operations.

Allocation of Income, Expenses, Gains and Losses. Income, expenses (other than those attributable to a specific class), gains and losses are allocated on a daily basis to each class of shares based upon the relative proportion of net assets represented by such class. Operating expenses directly attributable to a specific class are charged against the operations of that class.

Federal Taxes. The Fund intends to comply with provisions of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its investment company taxable income, including any net realized gain on investments not offset by capital loss carryforwards, if any, to shareholders. Therefore, no federal income or excise tax provision is required. The Fund files income tax returns in U.S. federal and applicable state jurisdictions. The statute of limitations on the Fund's tax return filings generally remain open for the three preceding fiscal reporting period ends.

The tax components of capital shown in the following table represent distribution requirements the Fund must satisfy under the income tax regulations, losses the Fund may be able to offset against income and gains realized in future years and unrealized appreciation or depreciation of securities and other investments for federal income tax purposes.

Undistributed Net Investment Income	Undistributed Long-Term Gain	Accumulated Loss Carryforward ^{1,2,3,4}	Net Unrealized Depreciation Based on cost of Securities and Other Investments for Federal Income Tax Purposes
\$107,064,959	\$—	\$74,011,395	\$20,642,222

1. As of December 31, 2013, the Fund had \$73,775,870 of net capital loss carryforwards available to offset future realized capital gains, if any, and thereby reduce future taxable gain distributions. Details of the capital loss carryforwards are included in the table below. Capital loss carryovers with no expiration, if any, must be utilized prior to those with expiration dates.

Expiring	
2015	\$ 5,751,368
2016	3,339,490
No expiration	64,685,012
Total	<u>\$ 73,775,870</u>

Of these losses, \$10,018,470 are subject to Sec. 382 loss limitation rules resulting from merger activity. These limitations generally reduce the utilization of these losses to a maximum of \$3,339,490 per year.

2. The Fund had \$235,525 of straddle losses which were deferred.

3. During the fiscal year ended December 31, 2013, the Fund utilized \$3,174,670 of capital loss carryforward to offset capital gains realized in that fiscal year.

4. During the fiscal year ended December 31, 2012, the Fund did not utilize any capital loss carryforward.

Net investment income (loss) and net realized gain (loss) may differ for financial statement and tax purposes. The character of dividends and distributions made during the fiscal year from net investment income or net realized gains may differ from their ultimate characterization for federal income tax purposes. Also, due to timing of dividends and distributions, the fiscal year in which amounts are distributed may differ from the fiscal year in which the income or net realized gain was recorded by the Fund.

Accordingly, the following amounts have been reclassified for December 31, 2013. Net assets of the Fund were unaffected by the reclassifications.

1. Significant Accounting Policies (Continued)

Increase to Paid-in Capital	Reduction to Accumulated Net Investment Income	Reduction to Accumulated Net Realized Loss on Investments
\$157,579	\$17,299,267	\$17,141,688

The tax character of distributions paid during the years ended December 31, 2013 and December 31, 2012 was as follows:

	Year Ended December 31, 2013	Year Ended December 31, 2012
Distributions paid from:		
Ordinary income	\$ 120,194,577	\$ 148,472,568
Long-term capital gain	—	14,255,675
Total	<u>\$ 120,194,577</u>	<u>\$ 162,728,243</u>

The aggregate cost of securities and other investments and the composition of unrealized appreciation and depreciation of securities and other investments for federal income tax purposes as of December 31, 2013 are noted in the following table. The primary difference between book and tax appreciation or depreciation of securities and other investments, if applicable, is attributable to the tax deferral of losses or tax realization of financial statement unrealized gain or loss.

Federal tax cost of securities	\$ 2,504,305,329
Federal tax cost of other investments	116,289,387
Total federal tax cost	<u>\$ 2,620,594,716</u>
Gross unrealized appreciation	\$ 80,330,827
Gross unrealized depreciation	(100,973,049)
Net unrealized appreciation	<u>\$ (20,642,222)</u>

Trustees' Compensation. The Board of Trustees has adopted a compensation deferral plan for independent trustees that enables trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from the Fund. For purposes of determining the amount owed to the Trustee under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of the Fund or in other Oppenheimer funds selected by the Trustee. The Fund purchases shares of the funds selected for deferral by the Trustee in amounts equal to his or her deemed investment, resulting in a Fund asset equal to the deferred compensation liability. Such assets are included as a component of "Other" within the asset section of the Consolidated Statement of Assets and Liabilities. Deferral of trustees' fees under the plan will not affect the net assets of the Fund, and will not materially affect the Fund's assets, liabilities or net investment income per share. Amounts will be deferred until distributed in accordance with the compensation deferral plan.

Dividends and Distributions to Shareholders. Dividends and distributions to shareholders, which are determined in accordance with income tax regulations and may differ from U.S. generally accepted accounting principles, are recorded on the ex-dividend date. Income and capital gain distributions, if any, are declared and paid annually or at other times as deemed necessary by the Manager.

Investment Income. Dividend income is recorded on the ex-dividend date or upon ex-dividend notification in the case of certain foreign dividends where the ex-dividend date may have passed. Non-cash dividends included in dividend income, if any, are recorded at the fair market value of the securities received. Interest income is recognized on an accrual basis. Discount and premium, which are included in interest income on the Consolidated Statement of Operations, are amortized or accreted daily.

Custodian Fees. "Custodian fees and expenses" in the Consolidated Statement of Operations may include interest expense incurred by the Fund on any cash overdrafts of its custodian account during the period. Such cash overdrafts may result from the effects of failed trades in portfolio securities and from cash outflows resulting from unanticipated shareholder redemption activity. The Fund pays interest to its custodian on such cash overdrafts, to the extent they are not offset by positive cash balances maintained by the Fund, at a rate equal to the Federal Funds Rate plus 0.50%. The "Reduction to custodian expenses" line item, if applicable, represents earnings on cash balances maintained by the Fund during the period. Such interest expense and other custodian fees may be paid with these earnings.

Security Transactions. Security transactions are recorded on the trade date. Realized gains and losses on securities sold are determined on the basis of identified cost.

Indemnifications. The Fund's organizational documents provide current and former trustees and officers with a limited indemnification against liabilities arising in connection with the performance of their duties to the Fund. In the normal course of business, the Fund may also enter into contracts that provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown as this would be dependent on future claims that may be made against the Fund. The risk of material loss from such claims is considered remote.

1. Significant Accounting Policies (Continued)

Other. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

2. Securities Valuation

The Fund calculates the net asset value of its shares as of the close of the New York Stock Exchange (the "Exchange"), normally 4:00 P.M. Eastern time, on each day the Exchange is open for trading.

The Fund's Board has adopted procedures for the valuation of the Fund's securities and has delegated the day-to-day responsibility for valuation determinations under those procedures to the Manager. The Manager has established a Valuation Committee which is responsible for determining a "fair valuation" for any security for which market quotations are not "readily available." The Valuation Committee's fair valuation determinations are subject to review, approval and ratification by the Fund's Board at its next regularly scheduled meeting covering the calendar quarter in which the fair valuation was determined.

Valuation Methods and Inputs

Securities are valued using unadjusted quoted market prices, when available, as supplied primarily by third party pricing services or dealers.

The following methodologies are used to determine the market value or the fair value of the types of securities described below:

Securities traded on a registered U.S. securities exchange (including exchange-traded derivatives other than futures and futures options) are valued based on the last sale price of the security reported on the principal exchange on which it is traded, prior to the time when the Fund's assets are valued. In the absence of a sale, the security is valued at the last sale price on the prior trading day, if it is within the spread of the current day's closing "bid" and "asked" prices, and if not, at the current day's closing bid price. A security of a foreign issuer traded on a foreign exchange, but not listed on a registered U.S. securities exchange, is valued based on the last sale price on the principal exchange on which the security is traded, as identified by the third party pricing service used by the Manager, prior to the time when the Fund's assets are valued. If the last sale price is unavailable, the security is valued at the most recent official closing price on the principal exchange on which it is traded. If the last sales price or official closing price for a foreign security is not available, the security is valued at the mean between the bid and asked price per the exchange or, if not available from the exchange, obtained from two dealers. If bid and asked prices are not available from either the exchange or two dealers, the security is valued by using one of the following methodologies (listed in order of priority); (1) using a bid from the exchange, (2) the mean between the bid and asked price as provided by a single dealer, or (3) a bid from a single dealer.

Shares of a registered investment company that are not traded on an exchange are valued at that investment company's net asset value per share.

Corporate and government debt securities (of U.S. or foreign issuers) and municipal debt securities, event-linked bonds, loans, mortgage-backed securities, collateralized mortgage obligations, and asset-backed securities are valued at the mean between the "bid" and "asked" prices utilizing evaluated prices obtained from third party pricing services or broker-dealers who may use matrix pricing methods to determine the evaluated prices.

Short-term money market type debt securities with a remaining maturity of sixty days or less are valued at cost adjusted by the amortization of discount or premium to maturity (amortized cost), which approximates market value. Short-term debt securities with a remaining maturity in excess of sixty days are valued at the mean between the "bid" and "asked" prices utilizing evaluated prices obtained from third party pricing services or broker-dealers.

Structured securities, swaps, swaptions, and other over-the-counter derivatives are valued utilizing evaluated prices obtained from third party pricing services or broker-dealers.

Forward foreign currency exchange contracts are valued utilizing current and forward currency rates obtained from third party pricing services. When the settlement date of a contract is an interim date for which a quotation is not available, interpolated values are derived using the nearest dated forward currency rate.

Futures contracts and futures options traded on a commodities or futures exchange will be valued at the final settlement price or official closing price on the principal exchange as reported by such principal exchange at its trading session ending at, or most recently prior to, the time when the Fund's assets are valued.

A description of the standard inputs that may generally be considered by the third party pricing vendors in determining their evaluated prices is provided below.

Security Type	Standard inputs generally considered by third-party pricing vendors
Corporate debt, government debt, municipal, mortgage-backed and asset-backed securities	Reported trade data, broker-dealer price quotations, benchmark yields, issuer spreads on comparable securities, the credit quality, yield, maturity, and other appropriate factors.
Loans	Information obtained from market participants regarding reported trade data and broker-dealer price quotations.
Event-linked bonds	Information obtained from market participants regarding reported trade data and broker-dealer price quotations.
Structured securities	Relevant market information such as the price of underlying financial instruments, stock market indices, foreign currencies, interest rate spreads, commodities, or the occurrence of other specific events.
Swaps	Relevant market information, including underlying reference assets such as credit spreads, credit event probabilities, index values, individual security values, forward interest rates, variable interest rates, volatility measures, and forward currency rates.

2. Securities Valuation (Continued)

If a market value or price cannot be determined for a security using the methodologies described above, or if, in the “good faith” opinion of the Manager, the market value or price obtained does not constitute a “readily available market quotation,” or a significant event has occurred that would materially affect the value of the security the security is fair valued either (i) by a standardized fair valuation methodology applicable to the security type or the significant event as previously approved by the Valuation Committee and the Fund’s Board or (ii) as determined in good faith by the Manager’s Valuation Committee. The Valuation Committee considers all relevant facts that are reasonably available, through either public information or information available to the Manager, when determining the fair value of a security. Fair value determinations by the Manager are subject to review, approval and ratification by the Fund’s Board at its next regularly scheduled meeting covering the calendar quarter in which the fair valuation was determined. Those fair valuation standardized methodologies include, but are not limited to, valuing securities at the last sale price or initially at cost and subsequently adjusting the value based on: changes in company specific fundamentals, changes in an appropriate securities index, or changes in the value of similar securities which may be further adjusted for any discounts related to security-specific resale restrictions. When possible, such methodologies use observable market inputs such as unadjusted quoted prices of similar securities, observable interest rates, currency rates and yield curves. The methodologies used for valuing securities are not necessarily an indication of the risks associated with investing in those securities nor can it be assured that the Fund can obtain the fair value assigned to a security if it were to sell the security.

To assess the continuing appropriateness of security valuations, the Manager, or its third party service provider who is subject to oversight by the Manager, regularly compares prior day prices, prices on comparable securities, and sale prices to the current day prices and challenges those prices exceeding certain tolerance levels with the third party pricing service or broker source. For those securities valued by fair valuations, whether through a standardized fair valuation methodology or a fair valuation determination, the Valuation Committee reviews and affirms the reasonableness of the valuations based on such methodologies and fair valuation determinations on a regular basis after considering all relevant information that is reasonably available.

Classifications

Each investment asset or liability of the Fund is assigned a level at measurement date based on the significance and source of the inputs to its valuation. Various data inputs are used in determining the value of each of the Fund’s investments as of the reporting period end. These data inputs are categorized in the following hierarchy under applicable financial accounting standards:

- 1) Level 1-unadjusted quoted prices in active markets for identical assets or liabilities (including securities actively traded on a securities exchange)
- 2) Level 2-inputs other than unadjusted quoted prices that are observable for the asset or liability (such as unadjusted quoted prices for similar assets and market corroborated inputs such as interest rates, prepayment speeds, credit risks, etc.)
- 3) Level 3-significant unobservable inputs (including the Manager’s own judgments about assumptions that market participants would use in pricing the asset or liability).

The inputs used for valuing securities are not necessarily an indication of the risks associated with investing in those securities.

The table below categorizes amounts that are included in the Fund’s Consolidated Statement of Assets and Liabilities as of December 31, 2013 based on valuation input level:

	Level 1— Unadjusted Quoted Prices	Level 2— Other Significant Observable Inputs	Level 3— Significant Unobservable Inputs	Value
Assets Table				
Investments, at Value:				
Asset-Backed Securities	\$ —	\$ 56,761,192	\$ 16,206,250	\$ 72,967,442
Mortgage-Backed Obligations	—	481,396,692	4,005	481,400,697
U.S. Government Obligations	—	179,687,811	—	179,687,811
Foreign Government Obligations	—	585,663,511	—	585,663,511
Corporate Loans	—	58,748,257	—	58,748,257
Corporate Bonds and Notes	—	903,721,421	5,631,399	909,352,820
Preferred Stocks	—	2,479,922	—	2,479,922
Common Stocks	1,797,487	1,428,674	15,296	3,241,457
Structured Securities	—	13,379,550	10,216,769	23,596,319
Rights, Warrants and Certificates	—	—	—	—
Investment Companies	81,193,113	81,164,360	—	162,357,473
Over-the-Counter Credit Default Swaptions Purchased	—	8,816	—	8,816
Over-the-Counter Interest Rate Swaptions Purchased	—	5,522,068	—	5,522,068
Over-the-Counter Options Purchased	—	599,013	—	599,013
Total Investments, at Value	82,990,600	2,370,561,287	32,073,719	2,485,625,606
Other Financial Instruments:				
Swaps, at value	—	815,914	—	815,914
Variation margin receivable	9,655	1,080,427	—	1,090,082
Foreign currency exchange contracts	—	13,161,850	—	13,161,850
Total Assets	\$ 83,000,255	\$ 2,385,619,478	\$ 32,073,719	\$ 2,500,693,453

2. Securities Valuation (Continued)

	Level 1— Unadjusted Quoted Prices	Level 2— Other Significant Observable Inputs	Level 3— Significant Unobservable Inputs	Value
Liabilities Table				
Other Financial Instruments:				
Swaps, at value	\$ —	\$ (514,773)	\$ —	(514,773)
Options written, at value	—	(395,629)	—	(395,629)
Variation margin payable	(510,796)	(1,318,096)	—	(1,828,892)
Foreign currency exchange contracts	—	(16,369,483)	—	(16,369,483)
Swaptions written, at value	—	(5,724,637)	—	(5,724,637)
Total Liabilities	\$ (510,796)	\$ (24,322,618)	\$ —	\$ (24,833,414)

Currency contracts and forwards, if any, are reported at their unrealized appreciation/ depreciation at measurement date, which represents the change in the contract's value from trade date. Futures, if any, are reported at their variation margin at measurement date, which represents the amount due to/from the Fund at that date. All additional assets and liabilities included in the above table are reported at their market value at measurement date.

The table below shows the transfers between Level 2 and Level 3. The Fund's policy is to recognize transfers in and transfers out as of the beginning of the reporting period.

	Transfer into Level 2*	Transfer out of Level 2**	Transfers into Level 3**	Transfers out of Level 3*
Assets Table				
Investments, at Value:				
Mortgage-Backed Obligations	\$ 501,705	\$ —	\$ —	\$ (501,705)
Corporate Bonds and Notes	—	(5,706,055)	5,706,055	—
Common Stocks	2,527,654	—	—	(2,527,654)
Structured Securities	11,214,572	(8,108,523)	8,108,523	(11,214,572)
Total Assets	\$ 14,243,931	\$ (13,814,578)	\$ 13,814,578	\$ (14,243,931)

* Transferred from Level 3 to Level 2 due to the availability of market data for this security.

** Transferred from Level 2 to Level 3 because of the lack of observable market data due to a decrease in market activity for these securities.

The following is a reconciliation of assets in which significant unobservable inputs (level 3) were used in determining fair value:

	Value as of December 31, 2012	Realized Gain (Loss)	Change in unrealized appreciation/ depreciation	Accretion/ (amortization) of premium/discount ^a	Purchase
Assets Table					
Investments, at Value:					
Asset-Backed Securities	\$ 13,833,500	\$ —	\$ 2,290,146	\$ 82,604	\$ —
Mortgage-Backed Obligations	4,785,844	111,377	(208,925)	8,834	—
Corporate Loans	4,212,575	607,187	37,738	—	—
Corporate Bonds and Notes	1,357,068	71,658	(909,971)	248,927	—
Preferred Stocks	2,778,825	(316,640)	926,275	—	—
Common Stocks	2,939,696	(3,172,089)	1,235,343	—	2,166,442
Structured Securities	19,537,403	(7,191,482)	7,076,576	174,652	—
Rights, Warrants and Certificates	816	—	(816)	—	—
Total Assets	\$ 49,445,727	\$ (9,889,989)	\$ 10,446,366	\$ 515,017	\$ 2,166,442

	Sales	Transfer into Level 3	Transfers out of Level 3	Value as of December 31, 2013
Assets Table				
Investments, at Value:				
Asset-Backed Securities	\$ —	\$ —	\$ —	\$ 16,206,250
Mortgage-Backed Obligations	(4,191,420)	—	(501,705)	4,005
Corporate Loans	(4,857,500)	—	—	—
Corporate Bonds and Notes	(842,338)	5,706,055	—	5,631,399
Preferred Stocks	(3,388,460)	—	—	—
Common Stocks	(626,442)	—	(2,527,654)	15,296
Structured Securities	(6,274,331)	8,108,523	(11,214,572)	10,216,769
Rights, Warrants and Certificates	—	—	—	—
Total Assets	\$ (20,180,491)	\$ 13,814,578	\$ (14,243,931)	\$ 32,073,719

a. Included in net investment income.

The total change in unrealized appreciation/depreciation included in the Consolidated Statement of Operations attributable to Level 3 investments still held at December 31, 2013:

2. Securities Valuation (Continued)

		Change in unrealized appreciation/ depreciation
Assets Table		
Investments, at Value:		
Asset-Backed Securities	\$	2,290,146
Mortgage-Backed Obligations		(1,335)
Corporate Bonds and Notes		(856,952)
Common Stocks		(1,810,858)
Structured Securities		(611,425)
Rights, Warrants and Certificates		(816)
Total Assets	\$	(991,240)

The following table summarizes the valuation techniques and significant unobservable inputs used in determining fair value measurements for those investments classified as Level 3 as of December 31, 2013:

	Value as of December 31, 2013	Valuation Technique	Unobservable input	Range of Unobservable Inputs	Unobservable Input Used	
Assets Table						
Investments, at Value:						
Asset-Backed Securities	\$ 16,206,250	Broker quotes	N/A	N/A	N/A	(a)
Mortgage-Backed Obligations	4,005	Broker quotes	N/A	N/A	N/A	(a)
Corporate Bonds and Notes	5,190,399	Broker quotes	N/A	N/A	N/A	(a)
Corporate Bonds and Notes	441,000	Pricing service	N/A	N/A	N/A	(a)
Common Stock	15,296	Discounted cash flow	Future distributions	\$0-14.01/share	\$13.055/share	(b)
			Probability of payment	75%-100%	76.8%	
Structured Securities	2,998	Estimated Recovery	Probability of receipt of	N/A	50%	(c)
		proceeds	legal fees holdback			
Structured Securities	10,213,771	Broker quotes	N/A	N/A	N/A	(a)
Total	\$ 32,073,719					

(a) Securities classified as Level 3 whose unadjusted values were provided by a pricing service or broker-dealer for which such inputs are unobservable. The Manager periodically reviews pricing vendor and broker methodologies and inputs to confirm they are determined using unobservable inputs and have been appropriately classified. Such securities' fair valuations could change significantly based on changes in unobservable inputs used by the pricing service or broker.

(b) The Fund fair values certain cash distributions to be received as a result of a merger on common stock held using discounts to reflect the uncertainty of the future anticipated distributions. The Manager monitors such investments for additional market information or the occurrence of a significant event which would warrant a re-evaluation of the security's fair valuation. A significant increase (decrease) in the future distribution amount, or a significant increase (decrease) to the probability of payment rate, will result in a significant increase (decrease) to the fair value of the investment.

(c) The Fund fair values certain structured securities using a discount to the legal fees that have been withheld for litigation. A significant increase (decrease) to the estimated probability of cash flows resulting from the litigation proceedings will result in a significant increase (decrease) to the value of the investment.

3. Shares of Beneficial Interest

The Fund has authorized an unlimited number of \$0.001 par value shares of beneficial interest of each class. Transactions in shares of beneficial interest were as follows:

	Year Ended December 31, 2013		Year Ended December 31, 2012	
	Shares	Amount	Shares	Amount
Non-Service Shares				
Sold	20,825,193	\$ 114,175,644	11,893,556	\$ 65,980,860
Dividends and/or distributions reinvested	6,754,607	36,272,242	9,254,780	48,680,145
Acquisition—Note 8	—	—	9,127,251	50,838,789
Redeemed	(21,107,392)	(116,547,644)	(19,793,962)	(109,300,842)
Net increase	6,472,408	\$ 33,900,242	10,481,625	\$ 56,198,952
Service Shares				
Sold	32,262,956	\$ 181,229,821	29,727,051	\$ 168,387,762
Dividends and/or distributions reinvested	15,286,400	83,922,335	21,198,531	114,048,098
Acquisition—Note 8	—	—	10,563,745	60,107,709
Redeemed	(53,354,375)	(297,932,376)	(35,968,087)	(203,431,908)
Net increase (decrease)	(5,805,019)	\$ (32,780,220)	25,521,240	\$ 139,111,661

4. Purchases and Sales of Securities

The aggregate cost of purchases and proceeds from sales of securities, other than short-term obligations and investments in IMMFS, for the year ended December 31, 2013 were as follows:

4. Purchases and Sales of Securities (Continued)

	Purchases	Sales
Investment securities	\$2,030,154,806	\$2,391,464,675
U.S. government and government agency obligations	374,881,299	372,621,062
To Be Announced (TBA) mortgage-related securities	4,294,357,677	4,679,296,373

5. Fees and Other Transactions with Affiliates

Management Fees. Under the investment advisory agreement, the Fund pays the Manager a management fee based on the daily net assets of the Fund at an annual rate as shown in the following table:

Fee Schedule Through October 31, 2013		Fee Schedule Effective November 1, 2013	
Up to \$200 million	0.75%	Up to \$200 million	0.75%
Next \$200 million	0.72	Next \$200 million	0.72
Next \$200 million	0.69	Next \$200 million	0.69
Next \$200 million	0.66	Next \$200 million	0.66
Next \$200 million	0.60	Next \$200 million	0.60
Over \$1 billion	0.50	Next \$4 billion	0.50
		Over \$5 billion	0.48

The Manager also provides investment management related services to the Subsidiary. The Subsidiary pays the Manager a monthly management fee at an annual rate according to the above schedule. The Subsidiary also pays certain other expenses including custody and directors' fees.

Sub-Adviser Fees. The Manager has retained the Sub-Adviser to provide the day-to-day portfolio management of the Fund and the Subsidiary. Under the Sub-Advisory Agreements, the Manager pays the Sub-Adviser an annual fee in monthly installments, equal to a percentage of the investment management fee collected by the Manager from the Fund, which shall be calculated after any investment management fee waivers. The fees paid to the Sub-Adviser are paid by the Manager, not by the Fund.

Transfer Agent Fees. OFI Global (the "Transfer Agent") serves as the transfer and shareholder servicing agent for the Fund. Fees incurred by the Fund with respect to these services are detailed in the Consolidated Statement of Operations.

Sub-Transfer Agent Fees. The Transfer Agent has retained Shareholder Services, Inc., a wholly-owned subsidiary of OFI (the "Sub-Transfer Agent"), to provide the day-to-day transfer agent and shareholder servicing of the Fund. Under the Sub-Transfer Agency Agreement, the Transfer Agent pays the Sub-Transfer Agent an annual fee in monthly installments, equal to a percentage of the transfer agent fee collected by the Transfer Agent from the Fund, which shall be calculated after any applicable fee waivers. The fee paid to the Sub-Transfer Agent is paid by the Transfer Agent, not by the Fund.

Distribution and Service Plan for Service Shares. The Fund has adopted a Distribution and Service Plan (the "Plan") in accordance with Rule 12b-1 under the Investment Company Act of 1940 for Service shares to pay OppenheimerFunds Distributor, Inc. (the "Distributor"), for distribution related services, personal service and account maintenance for the Fund's Service shares. Under the Plan, payments are made periodically at an annual rate of 0.25% of the daily net assets of Service shares of the Fund. The Distributor currently uses all of those fees to compensate sponsors of the insurance product that offers Fund shares, for providing personal service and maintenance of accounts of their variable contract owners that hold Service shares. These fees are paid out of the Fund's assets on an on-going basis and increase operating expenses of the Service shares, which results in lower performance compared to the Fund's shares that are not subject to a service fee. Fees incurred by the Fund under the Plan are detailed in the Consolidated Statement of Operations.

Waivers and Reimbursements of Expenses. The Manager has contractually agreed to limit the Fund's expenses after payments, waivers and/or reimbursements and reduction to custodian expenses, excluding expenses incurred directly or indirectly by the Fund as a result of investments in other investment companies, wholly-owned subsidiaries and pooled investment vehicles; so that those expenses, as percentages of daily net assets, will not exceed the annual rate of 0.75% for Non-Service shares and 1.00% for Service shares.

The Manager has contractually agreed to waive the management fee it receives from the Fund in an amount equal to the management fee it receives from the Subsidiary. This undertaking will continue in effect for so long as the Fund invests in the Subsidiary and may not be terminated unless approved by the Fund's Board of Trustees. During the year ended December 31, 2013, the Manager waived \$10,567.

The Manager will waive fees and/or reimburse Fund expenses in an amount equal to the indirect management fees incurred through the Fund's investment in IMMF, Oppenheimer Ultra-Short Duration Fund and the Master Funds. During the year ended December 31, 2013, the Manager waived fees and/or reimbursed the Fund \$626,736 for IMMF management fees.

Some of these undertakings may be modified or terminated at any time; some may not be modified or terminated until after one year from the date of the current prospectus, as indicated therein.

6. Risk Exposures and the Use of Derivative Instruments

The Fund's investment objectives not only permit the Fund to purchase investment securities, they also allow the Fund to enter into various types of derivatives contracts, including, but not limited to, futures contracts, forward currency exchange contracts, credit default swaps, interest rate swaps, total

6. Risk Exposures and the Use of Derivative Instruments (Continued)

return swaps, variance swaps and purchased and written options. In doing so, the Fund will employ strategies in differing combinations to permit it to increase, decrease, or change the level or types of exposure to market risk factors. These instruments may allow the Fund to pursue its objectives more quickly and efficiently than if it were to make direct purchases or sales of securities capable of effecting a similar response to market factors. Such contracts may be entered into through a bilateral over-the-counter ("OTC") transaction, or through a securities or futures exchange and cleared through a clearinghouse.

Market Risk Factors. In accordance with its investment objectives, the Fund may use derivatives to increase or decrease its exposure to one or more of the following market risk factors:

Commodity Risk. Commodity risk relates to the change in value of commodities or commodity indexes as they relate to increases or decreases in the commodities market. Commodities are physical assets that have tangible properties. Examples of these types of assets are crude oil, heating oil, metals, livestock, and agricultural products.

Credit Risk. Credit risk relates to the ability of the issuer to meet interest and principal payments, or both, as they come due. In general, lower-grade, higher-yield bonds are subject to credit risk to a greater extent than lower-yield, higher-quality bonds.

Equity Risk. Equity risk relates to the change in value of equity securities as they relate to increases or decreases in the general market.

Foreign Exchange Rate Risk. Foreign exchange rate risk relates to the change in the U.S. dollar value of a security held that is denominated in a foreign currency. The U.S. dollar value of a foreign currency denominated security will decrease as the dollar appreciates against the currency, while the U.S. dollar value will increase as the dollar depreciates against the currency.

Interest Rate Risk. Interest rate risk refers to the fluctuations in value of fixed-income securities resulting from the inverse relationship between price and yield. For example, an increase in general interest rates will tend to reduce the market value of already issued fixed-income investments, and a decline in general interest rates will tend to increase their value. In addition, debt securities with longer maturities, which tend to have higher yields, are subject to potentially greater fluctuations in value from changes in interest rates than obligations with shorter maturities.

Volatility Risk. Volatility risk refers to the magnitude of the movement, but not the direction of the movement, in a financial instrument's price over a defined time period. Large increases or decreases in a financial instrument's price over a relative time period typically indicate greater volatility risk, while small increases or decreases in its price typically indicate lower volatility risk.

Derivatives may have little or no initial cash investment relative to their market value exposure and therefore can produce significant gains or losses in excess of their cost due to unanticipated changes in the market risk factors and the overall market. This use of embedded leverage allows the Fund to increase its market value exposure relative to its net assets and can substantially increase the volatility of the Fund's performance. In instances where the Fund is using derivatives to decrease, or hedge, exposures to market risk factors for securities held by the Fund, there are also risks that those derivatives may not perform as expected resulting in losses for the combined or hedged positions. Some derivatives have the potential for unlimited loss, regardless of the size of the Fund's initial investment.

Additional associated risks from investing in derivatives also exist and potentially could have significant effects on the valuation of the derivative and the Fund. Typically, the associated risks are not the risks that the Fund is attempting to increase or decrease exposure to, per its investment objectives, but are the additional risks from investing in derivatives. Examples of these associated risks are liquidity risk, which is the risk that the Fund will not be able to sell the derivative in the open market in a timely manner, and counterparty credit risk, which is the risk that the counterparty will not fulfill its obligation to the Fund.

The Fund's actual exposures to these market risk factors and associated risks during the period are discussed in further detail, by derivative type, below.

Forward Currency Exchange Contracts

The Fund may enter into forward currency exchange contracts ("forward contracts") for the purchase or sale of a foreign currency at a negotiated rate at a future date. Such contracts are traded in the OTC inter-bank currency dealer market.

Forward contracts are reported on a schedule following the Consolidated Statement of Investments. The unrealized appreciation (depreciation) is reported in the Consolidated Statement of Assets and Liabilities as a receivable (or payable) and in the Consolidated Statement of Operations within the change in unrealized appreciation (depreciation). At contract close, the difference between the original cost of the contract and the value at the close date is recorded as a realized gain (loss) in the Consolidated Statement of Operations.

The Fund has entered into forward contracts with the obligation to purchase specified foreign currencies in the future at a currently negotiated forward rate in order to take a positive investment perspective on the related currency. These forward contracts seek to increase exposure to foreign exchange rate risk.

The Fund has entered into forward contracts with the obligation to purchase specified foreign currencies in the future at a currently negotiated forward rate in order to decrease exposure to foreign exchange rate risk associated with foreign currency denominated securities held by the Fund.

The Fund has entered into forward contracts with the obligation to sell specified foreign currencies in the future at a currently negotiated forward rate in order to take a negative investment perspective on the related currency. These forward contracts seek to increase exposure to foreign exchange rate risk.

The Fund has entered into forward contracts with the obligation to sell specified foreign currencies in the future at a currently negotiated forward rate in order to decrease exposure to foreign exchange rate risk associated with foreign currency denominated securities held by the Fund.

During the year ended December 31, 2013, the Fund had daily average contract amounts on forward contracts to buy and sell of \$386,123,324 and \$719,427,740, respectively.

6. Risk Exposures and the Use of Derivative Instruments (Continued)

Additional associated risk to the Fund includes counterparty credit risk. Counterparty credit risk arises from the possibility that the counterparty to a forward contract will default and fail to perform its obligations to the Fund.

Futures Contracts

A futures contract is a commitment to buy or sell a specific amount of a commodity, financial instrument or currency at a negotiated price on a stipulated future date. The Fund may buy and sell futures contracts and may also buy or write put or call options on these futures contracts. Futures contracts and options thereon are generally entered into on a regulated futures exchange and cleared through a clearinghouse associated with the exchange.

Upon entering into a futures contract, the Fund is required to deposit either cash or securities (initial margin) in an amount equal to a certain percentage of the contract value in an account registered in the futures commission merchant's name. Subsequent payments (variation margin) are paid to or from the futures commission merchant each day equal to the daily changes in the contract value. Such payments are recorded as unrealized gains and losses. Should the Fund fail to make requested variation margin payments, the futures commission merchant can gain access to the initial margin to satisfy the Fund's payment obligations.

Futures contracts are reported on a schedule following the Consolidated Statement of Investments. Securities held by a futures commission merchant to cover initial margin requirements on open futures contracts are noted in the Consolidated Statement of Investments. Cash held by a futures commission merchant to cover initial margin requirements on open futures contracts and the receivable and/or payable for the daily mark to market for the variation margin are noted in the Consolidated Statement of Assets and Liabilities. The net change in unrealized appreciation and depreciation is reported in the Consolidated Statement of Operations. Realized gains (losses) are reported in the Consolidated Statement of Operations at the closing or expiration of futures contracts.

The Fund has purchased futures contracts on various bonds and notes to increase exposure to interest rate risk.

The Fund has sold futures contracts on various bonds and notes to decrease exposure to interest rate risk.

The Fund has purchased futures contracts on various equity indexes to increase exposure to equity risk.

The Fund has sold futures contracts on various equity indexes to decrease exposure to equity risk.

The Fund has purchased futures contracts on various currencies to increase exposure to foreign exchange rate risk.

The Fund has sold futures contracts on various currencies to decrease exposure to foreign exchange rate risk.

The Fund has sold futures contracts, which have values that are linked to the price movement of the related volatility indexes, in order to decrease exposure to volatility risk.

During the year ended December 31, 2013, the Fund had an ending monthly average market value of \$161,911,816 and \$322,693,569 on futures contracts purchased and sold, respectively.

Additional associated risks of entering into futures contracts (and related options) include the possibility that there may be an illiquid market where the Fund is unable to liquidate the contract or enter into an offsetting position and, if used for hedging purposes, the risk that the price of the contract will correlate imperfectly with the prices of the Fund's securities.

Option Activity

The Fund may buy and sell put and call options, or write put and call options. When an option is written, the Fund receives a premium and becomes obligated to sell or purchase the underlying security, currency or other underlying financial instrument at a fixed price, upon exercise of the option.

Options can be traded through an exchange or through a privately negotiated arrangement with a dealer in an OTC transaction. Options traded through an exchange are generally cleared through a clearinghouse (such as The Options Clearing Corporation). The difference between the premium received or paid, and market value of the option, is recorded as unrealized appreciation or depreciation. The net change in unrealized appreciation or depreciation is reported in the Consolidated Statement of Operations. When an option is exercised, the cost of the security purchased or the proceeds of the security sale are adjusted by the amount of premium received or paid. Upon the expiration or closing of the option transaction, a gain or loss is reported in the Consolidated Statement of Operations.

The Fund has purchased call options on currencies to increase exposure to foreign exchange rate risk. A purchased call option becomes more valuable as the price of the underlying financial instrument appreciates relative to the strike price.

The Fund has purchased put options on currencies to decrease exposure to foreign exchange rate risk. A purchased put option becomes more valuable as the price of the underlying financial instrument depreciates relative to the strike price.

The Fund has purchased call options on treasury and/or euro futures to increase exposure to interest rate risk. A purchased call option becomes more valuable as the price of the underlying financial instrument appreciates relative to the strike price.

The Fund has purchased put options on treasury and/or euro futures to decrease exposure to interest rate risk. A purchased put option becomes more valuable as the price of the underlying financial instrument depreciates relative to the strike price.

During the year ended December 31, 2013, the Fund had an ending monthly average market value of \$1,412,133 and \$335,772 on purchased call options and purchased put options, respectively.

Options written, if any, are reported in a schedule following the Consolidated Statement of Investments and as a liability in the Consolidated Statement of Assets and Liabilities. Securities held in collateral accounts to cover potential obligations with respect to outstanding written options are noted in the Consolidated Statement of Investments.

The risk in writing a call option is that the market price of the security increases and if the option is exercised, the Fund must either purchase the security at a higher price for delivery or, if the Fund owns the underlying security, give up the opportunity for profit. The risk in writing a put option is that the Fund may incur a loss if the market price of the security decreases and the option is exercised. The risk in buying an option is that the Fund pays a

6. Risk Exposures and the Use of Derivative Instruments (Continued)

premium whether or not the option is exercised. The Fund also has the additional risk that there may be an illiquid market where the Fund is unable to close the contract.

The Fund has written put options on currencies to increase exposure to foreign exchange rate risk. A written put option becomes more valuable as the price of the underlying financial instrument appreciates relative to the strike price.

The Fund has written call options on currencies to decrease exposure to foreign exchange rate risk. A written call option becomes more valuable as the price of the underlying financial instrument depreciates relative to the strike price.

The Fund has written call options on treasury and/or euro futures to decrease exposure to interest rate risk. A written call option becomes more valuable as the price of the underlying financial instrument depreciates relative to the strike price.

The Fund has written put options on treasury and/or euro futures to increase exposure to interest rate risk. A written put option becomes more valuable as the price of the underlying financial instrument appreciates relative to the strike price.

During the year ended December 31, 2013, the Fund had an ending monthly average market value of \$355,823 and \$848,248 on written call options and written put options, respectively.

Additional associated risks to the Fund include counterparty credit risk and liquidity risk.

Written option activity for the year ended December 31, 2013 was as follows:

	Call Options		Put Options	
	Number of Contracts	Amount of Premiums	Number of Contracts	Amount of Premiums
Options outstanding as of December 31, 2012	1,635,535,942	\$ 745,170	2,145,319,399	\$ 979,485
Options written	81,589,860,439	8,258,624	98,258,557,737	11,050,089
Options closed or expired	(62,554,926,381)	(6,562,231)	(57,555,742,136)	(7,072,790)
Options exercised	(19,849,030,000)	(2,088,103)	(41,381,840,000)	(4,406,397)
Options outstanding as of December 31, 2013	821,440,000	\$ 353,460	1,466,295,000	\$ 550,387

Swap Contracts

The Fund may enter into swap contract agreements with a counterparty to exchange a series of cash flows based on either specified reference rates, the price or volatility of asset or non-asset references, or the occurrence of a credit event, over a specified period. Swaps can be executed in a bi-lateral privately negotiated arrangement with a dealer in an OTC transaction ("OTC swaps") or executed on a regulated market. Certain swaps, regardless of the venue of their execution, are required to be cleared through a clearinghouse ("cleared swaps"). Swap contracts may include interest rate, equity, debt, index, total return, credit default, currency, and volatility swaps.

Swap contracts are reported on a schedule following the Consolidated Statement of Investments. Daily changes in the value of cleared swaps are reported as variation margin receivable or payable on the Consolidated Statement of Assets and Liabilities. The values of OTC swap contracts are aggregated by positive and negative values and disclosed separately on the Consolidated Statement of Assets and Liabilities. The unrealized appreciation (depreciation) related to the change in the valuation of the notional amount of the swap is combined with the accrued interest due to (owed by) the Fund, if any, at termination or settlement. The net change in this amount during the period is included on the Consolidated Statement of Operations. The Fund also records any periodic payments received from (paid to) the counterparty, including at termination, under such contracts as realized gain (loss) on the Consolidated Statement of Operations.

Swap contract agreements are exposed to the market risk factor of the specific underlying reference rate or asset. Swap contracts are typically more attractively priced compared to similar investments in related cash securities because they isolate the risk to one market risk factor and eliminate the other market risk factors. Investments in cash securities (for instance bonds) have exposure to multiple risk factors (credit and interest rate risk). Because swaps have embedded leverage, they can expose the Fund to substantial risk in the isolated market risk factor.

Credit Default Swap Contracts. A credit default swap is a contract that enables an investor to buy or sell protection against a defined-issuer credit event, such as the issuer's failure to make timely payments of interest or principal on a debt security, bankruptcy or restructuring. The Fund may enter into credit default swaps either by buying or selling protection on a corporate issuer, sovereign issuer, or a basket or index of issuers (the "reference asset").

The buyer of protection pays a periodic fee to the seller of protection based on the notional amount of the swap contract. The seller of protection agrees to compensate the buyer of protection for future potential losses as a result of a credit event on the reference asset. The contract effectively transfers the credit event risk of the reference asset from the buyer of protection to the seller of protection.

The ongoing value of the contract will fluctuate throughout the term of the contract based primarily on the credit risk of the reference asset. If the credit quality of the reference asset improves relative to the credit quality at contract initiation, the buyer of protection may have an unrealized loss greater than the anticipated periodic fee owed. This unrealized loss would be the result of current credit protection being cheaper than the cost of credit protection at contract initiation. If the buyer elects to terminate the contract prior to its maturity, and there has been no credit event, this unrealized loss will become realized. If the contract is held to maturity, and there has been no credit event, the realized loss will be equal to the periodic fee paid over the life of the contract.

If there is a credit event, the buyer of protection can exercise its rights under the contract and receive a payment from the seller of protection equal to the notional amount of the swap less the market value of specified debt securities issued by the reference asset. Upon exercise of the contract the

6. Risk Exposures and the Use of Derivative Instruments (Continued)

difference between such value and the notional amount is recorded as realized gain (loss) and is included on the Consolidated Statement of Operations.

The Fund has sold credit protection through credit default swaps to increase exposure to the credit risk of individual issuers and/or indexes of issuers that are either unavailable or considered to be less attractive in the bond market.

The Fund has purchased credit protection through credit default swaps to decrease exposure to the credit risk of individual issuers and/or indexes of issuers.

The Fund has engaged in spread curve trades by simultaneously purchasing and selling protection through credit default swaps referenced to the same reference asset but with different maturities. Spread curve trades attempt to gain exposure to credit risk on a forward basis by realizing gains on the expected differences in spreads.

For the year ended December 31, 2013, the Fund had ending monthly average notional amounts of \$19,982,295 and \$12,165,396 on credit default swaps to buy protection and credit default swaps to sell protection, respectively.

Additional associated risks to the Fund include counterparty credit risk and liquidity risk.

Interest Rate Swap Contracts. An interest rate swap is an agreement between counterparties to exchange periodic payments based on interest rates. One cash flow stream will typically be a floating rate payment based upon a specified floating interest rate while the other is typically a fixed interest rate.

The Fund has entered into interest rate swaps in which it pays a floating interest rate and receives a fixed interest rate in order to increase exposure to interest rate risk. Typically, if relative interest rates rise, payments made by the Fund under a swap agreement will be greater than the payments received by the Fund.

The Fund has entered into interest rate swaps in which it pays a fixed interest rate and receives a floating interest rate in order to decrease exposure to interest rate risk. Typically, if relative interest rates rise, payments received by the Fund under the swap agreement will be greater than the payments made by the Fund.

For the year ended December 31, 2013, the Fund had ending monthly average notional amounts of \$50,292,598 and \$114,889,632 on interest rate swaps which pay a fixed rate and interest rate swaps which receive a fixed rate, respectively.

Additional associated risks to the Fund include counterparty credit risk and liquidity risk.

Total Return Swap Contracts. A total return swap is an agreement between counterparties to exchange periodic payments based on the value of asset or non-asset references. One cash flow is typically based on a non-asset reference (such as an interest rate) and the other on the total return of a reference asset (such as a security or a basket of securities or securities index). The total return of the reference asset typically includes appreciation or depreciation on the reference asset, plus any interest or dividend payments.

Total return swap contracts are exposed to the market risk factor of the specific underlying financial instrument or index. Total return swaps are less standard in structure than other types of swaps and can isolate and/or include multiple types of market risk factors including equity risk, credit risk, and interest rate risk.

The Fund has entered into total return swaps on various equity securities or indexes to increase exposure to equity risk. These equity risk related total return swaps require the Fund to pay a floating reference interest rate, and an amount equal to the negative price movement of securities or an index (expressed as a percentage) multiplied by the notional amount of the contract. The Fund will receive payments equal to the positive price movement of the same securities or index (expressed as a percentage) multiplied by the notional amount of the contract and, in some cases, dividends paid on the securities.

The Fund has entered into total return swaps on various equity securities or indexes to decrease exposure to equity risk. These equity risk related total return swaps require the Fund to pay an amount equal to the positive price movement of securities or an index (expressed as a percentage) multiplied by the notional amount of the contract and, in some cases, dividends paid on the securities. The Fund will receive payments of a floating reference interest rate and an amount equal to the negative price movement of the same securities or index (expressed as a percentage) multiplied by the notional amount of the contract.

For the year ended December 31, 2013, the Fund had ending monthly average notional amounts of \$20,287,797 and \$13,379,714 on total return swaps which are long the reference asset and total return swaps which are short the reference asset, respectively.

Additional associated risks to the Fund include counterparty credit risk and liquidity risk.

As of December 31, 2013, the Fund had no such total return swap agreements outstanding.

Volatility Swap Contracts. A volatility swap is an agreement between counterparties to exchange periodic payments based on the measured volatility of a reference security, index, currency or other reference investment over a specified time frame. One cash flow is typically based on the realized volatility of the reference investment as measured by changes in its price or level over the specified time period while the other cash flow is based on a specified rate representing expected volatility for the reference investment at the time the swap is executed, or the measured volatility of a different reference investment over the specified time period. The appreciation or depreciation on a volatility swap will typically depend on the magnitude of the reference investment's volatility, or size of the movements in its price, over the specified time period, rather than general directional increases or decreases in its price.

Volatility swaps are less standard in structure than other types of swaps and provide pure, or isolated, exposure to volatility risk of the specific underlying reference investment. Volatility swaps are typically used to speculate on future volatility levels, to trade the spread between realized and expected volatility, or to decrease the volatility exposure of investments held by the Fund.

Variance swaps are a type of volatility swap where counterparties agree to exchange periodic payments based on the measured variance (or the volatility squared) of a reference security, index, or other reference investment over a specified time period. At payment date, a net cash flow will be

6. Risk Exposures and the Use of Derivative Instruments (Continued)

exchanged based on the difference between the realized variance of the reference investment over the specified time period and the specified rate representing expected variance for the reference investment at the time the swap is executed multiplied by the notional amount of the contract.

The Fund has entered into volatility swaps to increase exposure to the volatility risk of various reference investments. These types of volatility swaps require the Fund to pay the measured volatility and receive a fixed rate payment. If the measured volatility of the related reference investment increases over the period, the swaps will depreciate in value. Conversely, if the measured volatility of the related reference investment decreases over the period, the swaps will appreciate in value.

The Fund has entered into volatility swaps to decrease exposure to the volatility risk of various reference investments. These types of volatility swaps require the Fund to pay a fixed rate payment and receive the measured volatility. If the measured volatility of the related reference investment increases over the period, the swaps will appreciate in value. Conversely, if the measured volatility of the related reference investment decreases over the period, the swaps will depreciate in value.

For the year ended December 31, 2013, the Fund had ending monthly average notional amounts of \$166,220 and \$177,344 on volatility swaps which pay measured volatility/variance and volatility swaps which receive measured volatility/variance, respectively.

Additional associated risks to the Fund include counterparty credit risk and liquidity risk.

As of December 31, 2013, the Fund had no such volatility swap agreements outstanding.

Swaption Transactions

The Fund may enter into a swaption contract which grants the purchaser the right, but not the obligation, to enter into a swap transaction at preset terms detailed in the underlying agreement within a specified period of time. The purchaser pays a premium to the swaption writer who bears the risk of unfavorable changes in the preset terms on the underlying swap.

Purchased swaptions are reported as a component of investments in the Consolidated Statement of Investments and the Consolidated Statement of Assets and Liabilities. Written swaptions are reported on a schedule following the Consolidated Statement of Investments and their value is reported as a separate asset or liability line item in the Consolidated Statement of Assets and Liabilities. The net change in unrealized appreciation or depreciation on written swaptions is separately reported in the Consolidated Statement of Operations. When a swaption is exercised, the cost of the swap is adjusted by the amount of premium paid or received. Upon the expiration or closing of an unexercised swaption contract, a gain or loss is reported in the Consolidated Statement of Operations for the amount of the premium paid or received.

The Fund generally will incur a greater risk when it writes a swaption than when it purchases a swaption. When the Fund writes a swaption it will become obligated, upon exercise of the swaption, according to the terms of the underlying agreement. Swaption contracts written by the Fund do not give rise to counterparty credit risk prior to exercise as they obligate the Fund, not its counterparty, to perform. When the Fund purchases a swaption it only risks losing the amount of the premium it paid if the swaption expires unexercised. However, when the Fund exercises a purchased swaption there is a risk that the counterparty will fail to perform or otherwise default on its obligations under the swaption contract.

The Fund purchased swaptions which gives it the option to enter into an interest rate swap in which it pays a floating interest rate and receives a fixed interest rate in order to increase exposure to interest rate risk. A purchased swaption of this type becomes more valuable as the reference interest rate decreases relative to the preset interest rate.

The Fund has purchased swaptions which gives it the option to enter into an interest rate swap in which it pays a fixed interest rate and receives a floating interest rate in order to decrease exposure to interest rate risk. A purchased swaption of this type becomes more valuable as the reference interest rate increases relative to the preset interest rate.

The Fund has purchased swaptions which gives it the option to sell credit protection through credit default swaps in order to increase exposure to the credit risk of individual issuers and/or indexes of issuers. A purchased swaption of this type becomes more valuable as the likelihood of a credit event on the reference asset decreases.

The Fund has purchased swaptions which gives it the option to buy credit protection through credit default swaps in order to decrease exposure to the credit risk of individual issuers and/or indexes of issuers. A purchased swaption of this type becomes more valuable as the likelihood of a credit event on the reference asset increases.

The Fund has written swaptions which gives it the obligation, if exercised by the purchaser, to enter into an interest rate swap in which it pays a floating interest rate and receives a fixed interest rate in order to increase exposure to interest rate risk. A written swaption of this type becomes more valuable as the reference interest rate decreases relative to the preset interest rate.

The Fund has written swaptions which gives it the obligation, if exercised by the purchaser, to enter into an interest rate swap in which it pays a fixed interest rate and receives a floating interest rate in order to decrease exposure to interest rate risk. A written swaption of this type becomes more valuable as the reference interest rate increases relative to the preset interest rate.

The Fund has written swaptions which give it the obligation, if exercised by the purchaser, to sell credit protection through credit default swaps in order to increase exposure to the credit risk of individual issuers and/or indexes of issuers. A written swaption of this type becomes more valuable as the likelihood of a credit event on the reference asset decreases.

The Fund has written swaptions which give it the obligation, if exercised by the purchaser, to buy credit protection through credit default swaps in order to decrease exposure to the credit risk of individual issuers and/or, indexes of issuers. A written swaption of this type becomes more valuable as the likelihood of a credit event on the reference asset increases.

During the year ended December 31, 2013, the Fund had an ending monthly average market value of \$5,208,861 and \$6,332,060 on purchased and written swaptions, respectively.

Written swaption activity for the year ended December 31, 2013 was as follows:

6. Risk Exposures and the Use of Derivative Instruments (Continued)

	Call Swaptions	
	Notional Amount	Amount of Premiums
Swaptions outstanding as of December 31, 2012	253,267,387	\$ 5,033,479
Swaptions written	3,356,075,000	22,545,183
Swaptions closed or expired	(2,975,137,387)	(22,114,856)
Swaptions exercised	(161,660,000)	(1,388,325)
Swaptions outstanding as of December 31, 2013	472,545,000	\$ 4,075,481

Counterparty Credit Risk. Derivative positions are subject to the risk that the counterparty will not fulfill its obligation to the Fund. The Fund intends to enter into derivative transactions with counterparties that the Manager believes to be creditworthy at the time of the transaction.

The Fund's risk of loss from counterparty credit risk on OTC derivatives is generally limited to the aggregate unrealized gain netted against any collateral held by the Fund. For OTC options purchased, the Fund bears the risk of loss of the amount of the premiums paid plus the positive change in market values net of any collateral held by the Fund should the counterparty fail to perform under the contracts. Options written by the Fund do not typically give rise to counterparty credit risk, as options written generally obligate the Fund and not the counterparty to perform.

To reduce counterparty risk with respect to OTC transactions, the Fund has entered into master netting arrangements, established within the Fund's International Swap and Derivatives Association, Inc. ("ISDA") master agreements, which allow the Fund to make (or to have an entitlement to receive) a single net payment in the event of default (close-out netting) for outstanding payables and receivables with respect to certain OTC positions in swaps, options, swaptions, and forward currency exchange contracts for each individual counterparty. In addition, the Fund may require that certain counterparties post cash and/or securities in collateral accounts to cover their net payment obligations for those derivative contracts subject to ISDA master agreements. If the counterparty fails to perform under these contracts and agreements, the cash and/or securities will be made available to the Fund.

As of December 31, 2013, the Fund has required certain counterparties to post collateral of \$12,147,197.

ISDA master agreements include credit related contingent features which allow counterparties to OTC derivatives to terminate derivative contracts prior to maturity in the event that, for example, the Fund's net assets decline by a stated percentage or the Fund fails to meet the terms of its ISDA master agreements, which would cause the Fund to accelerate payment of any net liability owed to the counterparty.

For financial reporting purposes, the Fund does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the Consolidated Statement of Assets and Liabilities. Bankruptcy or insolvency laws of a particular jurisdiction may impose restrictions on or prohibitions against the right of offset in bankruptcy, insolvency or other events.

The Fund's risk of loss from counterparty credit risk on exchange-traded derivatives cleared through a clearinghouse and for cleared swaps is generally considered lower than as compared to OTC derivatives. However, counterparty credit risk exists with respect to initial and variation margin deposited/paid by the Fund that is held in futures commission merchant, broker and/or clearinghouse accounts for such exchange-traded derivatives and for cleared swaps.

With respect to cleared swaps, such transactions will be submitted for clearing, and if cleared, will be held in accounts at futures commission merchants or brokers that are members of clearinghouses. While brokers, futures commission merchants and clearinghouses are required to segregate customer margin from their own assets, in the event that a broker, futures commission merchant or clearinghouse becomes insolvent or goes into bankruptcy and at that time there is a shortfall in the aggregate amount of margin held by the broker, futures commission merchant or clearinghouse for all its customers, U.S. bankruptcy laws will typically allocate that shortfall on a pro-rata basis across all the broker's, futures commission merchant's or clearinghouse's customers, potentially resulting in losses to the Fund.

There is the risk that a broker, futures commission merchant or clearinghouse will decline to clear a transaction on the Fund's behalf, and the Fund may be required to pay a termination fee to the executing broker with whom the Fund initially enters into the transaction. Clearinghouses may also be permitted to terminate cleared swaps at any time. The Fund is also subject to the risk that the broker or futures commission merchant will improperly use the Fund's assets deposited/paid as initial or variation margin to satisfy payment obligations of another customer. In the event of a default by another customer of the broker or futures commission merchant, the Fund might not receive its variation margin payments from the clearinghouse, due to the manner in which variation margin payments are aggregated for all customers of the broker/futures commission merchant.

Collateral and margin requirements differ by type of derivative. Margin requirements are established by the broker, futures commission merchant or clearinghouse for exchange-traded and cleared derivatives, including cleared swaps. Brokers, futures commission merchants and clearinghouses can ask for margin in excess of the regulatory minimum, or increase the margin amount, in certain circumstances.

Collateral terms are contract specific for OTC derivatives. For derivatives traded under an ISDA master agreement, the collateral requirements are typically calculated by netting the mark to market amount for each transaction under such agreement and comparing that amount to the value of any collateral currently pledged by the Fund or the counterparty.

For financial reporting purposes, cash collateral that has been pledged to cover obligations of the Fund, if any, is reported separately on the Consolidated Statement of Assets and Liabilities as cash pledged as collateral. Non-cash collateral pledged by the Fund, if any, is noted in the Consolidated Statement of Investments. Generally, the amount of collateral due from or to a party must exceed a minimum transfer amount threshold (e.g. \$250,000) before a transfer has to be made. To the extent amounts due to the Fund from its counterparties are not fully collateralized, contractually or otherwise, the Fund bears the risk of loss from counterparty nonperformance.

6. Risk Exposures and the Use of Derivative Instruments (Continued)

The following table presents by counterparty the Fund's OTC derivative assets net of the related collateral posted for the benefit of the Fund at December 31, 2013.

Counterparty	Gross Amount of Assets in the Consolidated Statement of Assets & Liabilities*	Gross Amounts Not Offset in the Consolidated Statement of Assets & Liabilities			Net Amount
		Financial Instruments Available for Offset	Financial Instruments Collateral Received**	Cash Collateral Received**	
Bank of America NA	\$ 5,980,152	\$ (5,912,652)	\$ —	\$ —	\$ 67,500
Barclays Bank plc	1,694,594	(1,694,594)	—	—	—
BNP Paribas	782,538	(461,942)	(320,596)	—	—
Citibank NA	1,633,126	(1,633,126)	—	—	—
Credit Suisse International	592,301	(16,976)	(452,040)	—	123,285
Deutsche Bank Securities, Inc.	260,517	(260,517)	—	—	—
Goldman Sachs Bank USA	1,936,905	(1,439,000)	(304,525)	—	193,380
Goldman Sachs Group, Inc. (The)	1,442,214	(933,023)	(509,191)	—	—
HSBC Bank USA NA	450,200	(292,197)	—	—	158,003
JPMorgan Chase Bank NA	3,397,141	(3,397,141)	—	—	—
Morgan Stanley Capital Services, Inc.	704,131	(543,751)	(160,380)	—	—
RBS Greenwich Capital	516,277	(336,403)	—	—	179,874
UBS AG	717,565	(279,384)	(429,024)	—	9,157
\$	20,107,661	\$ (17,200,706)	\$ (2,175,756)	\$ —	\$ 731,199

*OTC derivatives are reported gross on the Consolidated Statement of Assets and Liabilities. Exchange traded options and margin related to cleared swaps and futures are excluded from these reported amounts.

**Reported collateral posted for the benefit of the Fund within this table is limited to the net outstanding amount due from an individual counterparty. The collateral posted for the benefit of the Fund may exceed these amounts.

The following table presents by counterparty the Fund's OTC derivative liabilities net of the related collateral pledged by the Fund at December 31, 2013.

Counterparty	Gross Amount of Liabilities in the Consolidated Statement of Assets & Liabilities*	Gross Amounts Not Offset in the Consolidated Statement of Assets & Liabilities			Net Amount
		Financial Instruments Available for Offset	Financial Instruments Collateral Pledged**	Cash Collateral Pledged**	
Bank of America NA	\$ (5,912,652)	\$ 5,912,652	\$ —	\$ —	\$ —
Barclays Bank plc	(3,336,041)	1,694,594	1,169,421	—	(472,026)
BNP Paribas	(461,942)	461,942	—	—	—
Citibank NA	(4,792,638)	1,633,126	1,326,938	—	(1,832,574)
Credit Suisse International	(16,976)	16,976	—	—	—
Deutsche Bank Securities, Inc.	(959,709)	260,517	699,192	—	—
Goldman Sachs Bank USA	(1,439,000)	1,439,000	—	—	—
Goldman Sachs Group, Inc. (The)	(933,023)	933,023	—	—	—
HSBC Bank USA NA	(292,197)	292,197	—	—	—
JPMorgan Chase Bank NA	(3,700,806)	3,397,141	—	—	(303,665)
Morgan Stanley Capital Services, Inc.	(543,751)	543,751	—	—	—
RBS Greenwich Capital	(336,403)	336,403	—	—	—
UBS AG	(279,384)	279,384	—	—	—
\$	(23,004,522)	\$ 17,200,706	\$ 3,195,551	\$ —	\$ (2,608,265)

*OTC derivatives are reported gross on the Consolidated Statement of Assets and Liabilities. Exchange traded options and margin related to cleared swaps and futures are excluded from these reported amounts.

**Reported collateral pledged within this table is limited to the net outstanding amount due from the Fund to an individual counterparty. The securities pledged as collateral by the Fund as reported on the Consolidated Statements of Investments may exceed these amounts.

The following table presents the valuations of derivative instruments by risk exposure as reported within the Consolidated Statement of Assets and Liabilities as of December 31, 2013:

6. Risk Exposures and the Use of Derivative Instruments (Continued)

Derivatives Not Accounted for as Hedging Instruments	Asset Derivatives		Liability Derivatives	
	Consolidated Statement of Assets and Liabilities Location	Value	Consolidated Statement of Assets and Liabilities Location	Value
Credit contracts	Swaps, at value	\$ 458,526	Swaps, at value	\$ 166,408
Interest rate contracts	Swaps, at value	357,388	Swaps, at value	348,365
Credit contracts			Variation margin payable	738,350 *
Interest rate contracts	Variation margin receivable	1,090,082 *	Variation margin payable	1,090,542 *
	Unrealized appreciation on foreign currency exchange contracts	13,161,850	Unrealized appreciation on foreign currency exchange contracts	16,369,483
Foreign exchange contracts			Options, written at value	395,629
Foreign exchange contracts			Swaptions, written at value	86,090
Credit contracts			Swaptions, written at value	5,638,547
Interest rate contracts				
Credit contracts	Investments, at value	8,816 **		
Foreign exchange contracts	Investments, at value	599,013 **		
Interest rate contracts	Investments, at value	5,522,068 **		
Total		\$ 21,197,743		\$ 24,833,414

* Includes only the current day's variation margin. Prior variation margin movements have been reflected in cash on the Consolidated Statement of Assets and Liabilities upon receipt or payment.

** Amounts relate to purchased option contracts and purchased swaption contracts.

The effect of derivative instruments on the Consolidated Statement of Operations is as follows:

Amount of Realized Gain or (Loss) Recognized on Derivatives								
Derivatives Not Accounted for as Hedging Instruments	Investments from unaffiliated companies (including premiums on options and swaptions exercised)*	Closing and expiration of swaption contracts written	Closing and expiration of option contract written	Closing and expiration of futures contracts	Foreign currency transactions	Swap contracts		Total
Credit contracts	\$ (299,064)	\$ 516,688	\$ —	\$ —	\$ —	\$ (495,275)	\$ —	(277,651)
Equity contracts	—	—	—	(2,398,233)	—	3,049,555	—	651,322
Foreign exchange contracts	4,439,021	—	7,482,224	91,386	5,903,083	—	—	17,915,714
Interest rate contracts	2,558,326	(2,746,235)	1,557,713	(13,202,185)	—	(1,575,838)	—	(13,408,219)
Volatility contracts	—	—	—	113,779	—	(5,060,619)	—	(4,946,840)
Total	\$ 6,698,283	\$ (2,229,547)	\$ 9,039,937	\$ (15,395,253)	\$ 5,903,083	\$ (4,082,177)	\$ —	(65,674)

* Includes purchased option contracts, purchased swaption contracts, written option contracts exercised and written swaption contracts exercised, if any.

Amount of Change in Unrealized Gain or (Loss) Recognized on Derivatives								
Derivatives Not Accounted for as Hedging Instruments	Investments*	Swaption contracts written	Option contract written	Futures contracts	Translation of assets and liabilities denominated in foreign currencies	Swap contracts		Total
Credit contracts	\$ (91,938)	\$ (20,867)	\$ —	\$ —	\$ —	\$ 163,107	\$ —	50,302
Equity contracts	—	—	—	634,228	—	(420,204)	—	214,024
Foreign exchange contracts	(30,605)	—	(65,106)	51,728	(2,572,709)	—	—	(2,616,692)
Interest rate contracts	7,119,272	(1,480,665)	14,799	(1,957,588)	—	97,341	—	3,793,159
Volatility contracts	—	—	—	—	—	562,515	—	562,515
Total	\$ 6,996,729	\$ (1,501,532)	\$ (50,307)	\$ (1,271,632)	\$ (2,572,709)	\$ 402,759	\$ —	2,003,308

* Includes purchased option contracts and purchased swaption contracts, if any.

7. Restricted Securities

As of December 31, 2013, investments in securities included issues that are restricted. A restricted security may have a contractual restriction on its resale and is valued under methods approved by the Board of Trustees as reflecting fair value. Securities that are restricted are marked with an applicable footnote on the Consolidated Statement of Investments. Restricted securities are reported on a schedule following the Consolidated Statement of Investments.

8. Acquisition of Oppenheimer High Income Fund/VA

On October 25, 2012, the Fund acquired all of the net assets of Oppenheimer High Income Fund/VA at a fair market value, pursuant to an Agreement and Plan of Reorganization approved by the Oppenheimer High Income Fund/VA shareholders on September 14, 2012. The purpose of this acquisition is to combine two funds with similar investment objectives, strategies and risks to allow shareholders to benefit from greater asset growth potential as well as lowered total expenses.

The transaction qualified as a tax-free reorganization, (the "merger") for federal income tax purposes allowing the Fund to use the original cost basis of the investments received to calculate subsequent gains and losses for tax reporting purposes.

8. Acquisition of Oppenheimer High Income Fund/VA (Continued)

Details of the merger are shown in the following table:

	Exchange Ratio to One Share of the Oppenheimer High Income Fund/VA	Shares of Beneficial Interest Issued by the Fund	Value of Issued Shares of Beneficial Interest	Combined Net Assets on October 25, 2012 ¹
Non-Service	0.3227303411	8,294,514	\$46,200,443	\$ 739,622,804
Service	0.3184024605	9,433,727	\$53,677,909	\$ 1,819,058,909
Class 3	0.3263655296	832,737	\$ 4,638,346	See Non-Service shares above
Class 4	0.3240643234	1,130,018	\$ 6,429,800	See Service shares above

1. The net assets acquired included net unrealized depreciation of \$3,949,765 and an unused capital loss carryforward of \$225,414,822, potential utilization subject to tax limitations.

9. Pending Litigation

Since 2009, seven class action lawsuits have been pending in the U.S. District Court for the District of Colorado against OppenheimerFunds, Inc. ("OFI"), OppenheimerFunds Distributor, Inc., the Fund's principal underwriter and distributor (the "Distributor"), and certain funds (but not including the Fund) advised by OFI Global Asset Management, Inc. and distributed by the Distributor (the "Defendant Funds"). The lawsuits also name as defendants certain officers and current and former trustees of the respective Defendant Funds. The lawsuits raise claims under federal securities law and allege, among other things, that the disclosure documents of the respective Defendant Funds contained misrepresentations and omissions and that the respective Defendant Funds' investment policies were not followed. The plaintiffs in these actions seek unspecified damages, equitable relief and awards of attorneys' fees and litigation expenses. The Defendant Funds' Boards of Trustees have also engaged counsel to represent the Funds and the present and former Independent Trustees named in those suits. On August 26, 2013, the parties in six of these lawsuits executed a memorandum of understanding setting forth the terms of proposed settlements of those actions. The proposed settlements are subject to a variety of contingencies, including the execution of settlement agreements, which will require preliminary and final approval by the court. The proposed settlements do not resolve a seventh outstanding lawsuit relating to Oppenheimer California Municipal Fund.

Other class action and individual lawsuits have been filed since 2008 in various state and federal courts against OFI and certain of its affiliates by investors seeking to recover investments they allegedly lost as a result of the "Ponzi" scheme run by Bernard L. Madoff and his firm, Bernard L. Madoff Investment Securities, LLC ("BLMIS"). Plaintiffs in these suits allege that they suffered losses as a result of their investments in several funds managed by an affiliate of OFI and assert a variety of claims, including breach of fiduciary duty, fraud, negligent misrepresentation, unjust enrichment, and violation of federal and state securities laws and regulations, among others. They seek unspecified damages, equitable relief and awards of attorneys' fees and litigation expenses. Neither the Distributor, nor any of the Oppenheimer mutual funds, their independent trustees or directors are named as defendants in these lawsuits. None of the Oppenheimer mutual funds invested in any funds or accounts managed by Madoff or BLMIS. On February 28, 2011, a stipulation of partial settlement of three groups of consolidated putative class action lawsuits relating to these matters was filed in the U.S. District Court for the Southern District of New York. On August 19, 2011, the court entered an order and final judgment approving the settlement as fair, reasonable and adequate. In September 2011, certain parties filed notices of appeal from the court's order approving the settlement. The settlement does not resolve other outstanding lawsuits against OFI and its affiliates relating to BLMIS.

On April 16, 2010, a lawsuit was filed in New York state court against (i) OFI, (ii) an affiliate of OFI and (iii) AAArdvark IV Funding Limited ("AAArdvark IV"), an entity advised by OFI's affiliate, in connection with investments made by the plaintiffs in AAArdvark IV. Plaintiffs allege breach of contract and common law fraud claims against the defendants and seek compensatory damages, costs and disbursements, including attorney fees. On April 11, 2013, the court granted defendants' motion for summary judgment, dismissing plaintiffs' fraud claim with prejudice and dismissing their contract claim without prejudice, and granted plaintiffs leave to replead their contract claim to assert a cause of action for specific performance within 30 days. On May 9, 2013, plaintiffs filed a notice of appeal from the court's dismissal order. On January 7, 2014, the appellate court affirmed the trial court's dismissal order. On July 15, 2011, a lawsuit was filed in New York state court against OFI, an affiliate of OFI and AAArdvark Funding Limited ("AAArdvark I"), an entity advised by OFI's affiliate, in connection with investments made by the plaintiffs in AAArdvark I. The complaint alleges breach of contract and common law fraud claims against the defendants and seeks compensatory damages, costs and disbursements, including attorney fees. On November 9, 2011, a lawsuit was filed in New York state court against OFI, an affiliate of OFI and AAArdvark XS Funding Limited ("AAArdvark XS"), an entity advised by OFI's affiliate, in connection with investments made by the plaintiffs in AAArdvark XS. The complaint alleged breach of contract against the defendants and sought compensatory damages, costs and disbursements, including attorney fees. On November 8, 2013, the parties filed a stipulation of discontinuance dismissing the lawsuit with prejudice.

OFI believes the lawsuits and appeals described above are without legal merit and, with the exception of actions it has settled, is defending against them vigorously. While it is premature to render any opinion as to the outcome in these lawsuits, or whether any costs that the Defendant Funds may bear in defending the suits might not be reimbursed by insurance, OFI believes that these suits should not impair the ability of OFI or the Distributor to perform their respective duties to the Fund, and that the outcome of all of the suits together should not have any material effect on the operations of any of the Oppenheimer mutual funds.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Trustees and Shareholders of Oppenheimer Variable Account Funds:

We have audited the accompanying consolidated statement of assets and liabilities of Oppenheimer Global Strategic Income Fund/VA (a separate series of Oppenheimer Variable Account Funds) and subsidiary, including the consolidated statement of investments, as of December 31, 2013, and the related consolidated statement of operations for the year then ended, the consolidated statements of changes in net assets for each of the years in the two-year period then ended, and the consolidated financial highlights for each of the years in the five-year period then ended. These consolidated financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these consolidated financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. Our procedures included confirmation of securities owned as of December 31, 2013, by correspondence with the custodian, transfer agent and brokers, or by other appropriate auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Oppenheimer Global Strategic Income Fund/VA and subsidiary as of December 31, 2013, the results of their operations for the year then ended, the changes in their net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years in the five-year period then ended, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, Oppenheimer Global Strategic Income Fund /VA has elected to change its method of accounting for its investment in Oppenheimer Global Strategic Income Fund /VA (Cayman) Ltd., a wholly-owned investment company.

KPMG LLP

Denver, Colorado
February 19, 2014

FEDERAL INCOME TAX INFORMATION

Unaudited

In early 2014, if applicable, shareholders of record received information regarding all dividends and distributions paid to them by the Fund during calendar year 2013.

Dividends, if any, paid by the Fund during the fiscal year ended December 31, 2013 which are not designated as capital gain distributions should be multiplied by the maximum amount allowable but not less than 0.25% to arrive at the amount eligible for the corporate dividend-received deduction.

The foregoing information is presented to assist shareholders in reporting distributions received from the Fund to the Internal Revenue Service. Because of the complexity of the federal regulations which may affect your individual tax return and the many variations in state and local tax regulations, we recommend that you consult your tax advisor for specific guidance.

BOARD APPROVAL OF THE FUND'S INVESTMENT ADVISORY AND SUB-ADVISORY AGREEMENTS

Unaudited

The Fund has entered into an investment advisory agreement with OFI Global Asset Management, Inc. ("OFI Global" or the "Adviser"), a wholly-owned subsidiary of OppenheimerFunds, Inc. ("OFI" or the "Sub-Adviser") ("OFI Global" and "OFI" together the "Managers") and OFI Global has entered into a sub-advisory agreement with OFI whereby OFI provides investment sub-advisory services to the Fund (collectively, the "Agreements"). Each year, the Board of Trustees (the "Board"), including a majority of the independent Trustees, is required to determine whether to renew the Agreements. The Investment Company Act of 1940, as amended, requires that the Board request and evaluate, and that the Managers provide, such information as may be reasonably necessary to evaluate the terms of the Agreements. The Board employs an independent consultant to prepare a report that provides information, including comparative information that the Board requests for that purpose. In addition to in-person meetings focused on this evaluation, the Board receives information throughout the year regarding Fund services, fees, expenses and performance.

The Adviser, Sub-Adviser and the independent consultant provided information to the Board on the following factors: (i) the nature, quality and extent of the Managers' services, (ii) the investment performance of the Fund and the Managers, (iii) the fees and expenses of the Fund, including comparative expense information, (iv) the profitability of the Managers and their affiliates, including an analysis of the cost of providing services, (v) whether economies of scale are realized as the Fund grows and whether fee levels reflect these economies of scale for Fund investors and (vi) other benefits to the Managers from their relationship with the Fund. The Board was aware that there are alternatives to retaining the Managers.

Outlined below is a summary of the principal information considered by the Board as well as the Board's conclusions.

Nature, Quality and Extent of Services. The Board considered information about the nature, quality and extent of the services provided to the Fund and information regarding the Managers' key personnel who provide such services. The Sub-Adviser's duties include providing the Fund with the services of the portfolio managers and the Sub-Adviser's investment team, who provide research, analysis and other advisory services in regard to the Fund's investments; securities trading services; oversight of third-party service providers; monitoring compliance with applicable Fund policies and procedures and adherence to the Fund's investment restrictions; and risk management. The Managers are responsible for providing certain administrative services to the Fund as well. Those services include providing and supervising all administrative and clerical personnel who are necessary in order to provide effective corporate administration for the Fund; compiling and maintaining records with respect to the Fund's operations; preparing and filing reports required by the Securities and Exchange Commission; preparing periodic reports regarding the operations of the Fund for its shareholders; preparing proxy materials for shareholder meetings; and preparing the registration statements required by Federal and state securities laws for the sale of the Fund's shares. The Managers also provide the Fund with office space, facilities and equipment.

The Board also considered the quality of the services provided and the quality of the Managers' resources that are available to the Fund. The Board took account of the fact that the Sub-Adviser has had over fifty years of experience as an investment adviser and that its assets under management rank it among the top mutual fund managers in the United States. The Board evaluated the Sub-Adviser's advisory, administrative, accounting, legal, compliance services and risk management, and information the Board has received regarding the experience and professional qualifications of the Managers' key personnel and the size and functions of its staff. In its evaluation of the quality of the portfolio management services provided, the Board considered the experience of Arthur Steinmetz, Krishna Memani, Sara Zervos and Jack Brown, the portfolio managers for the Fund, and the Sub-Adviser's investment team and analysts. The Board members also considered the totality of their experiences with the Managers as directors or trustees of the Fund and other funds advised by the Managers. The Board considered information regarding the quality of services provided by affiliates of the Managers, which its members have become knowledgeable about in connection with the renewal of the Fund's service agreements. The Board concluded, in light of the Managers' experience, reputation, personnel, operations and resources that the Fund benefits from the services provided under the Agreement.

Investment Performance of the Manager and the Fund. Throughout the year, the Manager provided information on the investment performance of the Fund, including comparative performance information. The Board also reviewed information, prepared by the Manager and by the independent consultant, comparing the Fund's historical performance to relevant market indices and to the performance of other multisector bond funds underlying variable insurance products. The Board considered that the Fund outperformed its category median during the one-, three- and ten-year periods, although the Fund underperformed its category median during the five-year period. The Board also considered that for the one-year period the Fund's performance was in the first quintile of its performance category.

Costs of Services by the Manager. The Board reviewed the fees paid to the Manager and the other expenses borne by the Fund. The independent consultant provided comparative data in regard to the fees and expenses of the Fund and other multisector bond funds underlying variable insurance products. In reviewing the fees and expenses charged to the VA funds, the Board considered the Manager's assertion that, because there is much greater disparity in the fees and services that may be provided by a manager to a VA fund as opposed to a retail fund, when comparing the expenses of the various VA funds to those of retail funds, it is most appropriate to focus on total expenses (rather than on the management fees). Accordingly, while the Board reviewed and considered all expenses, it focused on total expenses. The Board considered that the Fund's total expenses were lower than its peer group median (after waivers) and lower than its category median. The Board also considered that the Fund's contractual management fee was lower than its respective peer group median and category median. Within the total asset range of \$2 billion to \$5 billion, the Fund's effective rate was lower than its peer group median and category median. The Board noted that the Manager has voluntarily agreed to limit the Fund's total annual operating expenses so that those expenses, as percentages of daily net assets, will not exceed the annual rate of 0.75% for Non-Service Shares and 1.00% for Service Shares. This voluntary expense limitation may be amended or withdrawn at any time without prior notice to shareholders.

Economies of Scale and Profits Realized by the Manager. The Board considered information regarding the Manager's costs in serving as the Fund's investment adviser, including the costs associated with the personnel and systems necessary to manage the Fund, and information regarding the Manager's profitability from its relationship with the Fund. The Board reviewed whether the Manager may realize economies of scale in managing and supporting the Fund. The Board noted that the Fund currently has management fee breakpoints, which are intended to share with Fund shareholders economies of scale that may exist as the Fund's assets grow. Based on the Board's evaluation, the Managers agreed to a revised breakpoint schedule as negotiated by the Board that, effective November 2013, includes an additional fee breakpoint of 0.48% for assets in excess of \$5 billion.

BOARD APPROVAL OF THE FUND'S INVESTMENT ADVISORY AND SUB-ADVISORY AGREEMENTS

Unaudited / Continued

Other Benefits to the Managers. In addition to considering the profits realized by the Managers, the Board considered information that was provided regarding the direct and indirect benefits the Managers receive as a result of their relationship with the Fund, including compensation paid to the Managers' affiliates. The Board also considered that the Managers must be able to pay and retain experienced professional personnel at competitive rates to provide quality services to the Fund.

Conclusions. These factors were also considered by the independent Trustees meeting separately from the full Board, assisted by experienced counsel to the Fund and to the independent Trustees. Fund counsel and the independent Trustees' counsel are independent of the Managers within the meaning and intent of the Securities and Exchange Commission Rules.

Based on its review of the information it received and its evaluations described above, the Board, including a majority of the independent Trustees, decided to continue the Agreements through August 31, 2014. In arriving at its decision, the Board did not identify any factor or factors as being more important than others, but considered all of the above information, and considered the terms and conditions of the Agreements, including the management fees, in light of all the surrounding circumstances.

PORTFOLIO PROXY VOTING POLICIES AND PROCEDURES; UPDATES TO STATEMENTS OF INVESTMENTS

Unaudited

The Fund has adopted Portfolio Proxy Voting Policies and Procedures under which the Fund votes proxies relating to securities ("portfolio proxies") held by the Fund. A description of the Fund's Portfolio Proxy Voting Policies and Procedures is available (i) without charge, upon request, by calling the Fund toll-free at 1.800.CALL OPP (225.5677), (ii) on the Fund's website at oppenheimerfunds.com, and (iii) on the SEC's website at www.sec.gov. In addition, the Fund is required to file Form N-PX, with its complete proxy voting record for the 12 months ended June 30th, no later than August 31st of each year. The Fund's voting record is available (i) without charge, upon request, by calling the Fund toll-free at 1.800.CALL OPP (225.5677), and (ii) in the Form N-PX filing on the SEC's website at www.sec.gov.

The Fund files its complete schedule of portfolio holdings with the SEC for the first quarter and the third quarter of each fiscal year on Form N-Q. The Fund's Form N-Q filings are available on the SEC's website at www.sec.gov. Those forms may 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 1-800-SEC-0330.

TRUSTEES AND OFFICERS

Unaudited

Name, Position(s) Held with the Fund, Length of Service, Year of Birth

Principal Occupation(s) During the Past 5 Years; Other Trusteeships/Directorships Held; Number of Portfolios in the Fund Complex Currently Overseen

INDEPENDENT TRUSTEES

The address of each Trustee in the chart below is 6803 S. Tucson Way, Centennial, Colorado 80112-3924. Each Trustee serves for an indefinite term, or until his or her resignation, retirement, death or removal.

Sam Freedman,
Chairman of the Board of Trustees (since 2013) and
Trustee (since 1996)
Year of Birth: 1940

Director of Colorado UpLIFT (charitable organization) (since September 1984). Mr. Freedman held several positions with the Sub-Adviser and with subsidiary or affiliated companies of the Sub-Adviser (until October 1994). Oversees 39 portfolios in the OppenheimerFunds complex. Mr. Freedman has served on the Boards of certain Oppenheimer funds since 1996, during which time he has become familiar with the Fund's (and other Oppenheimer funds') financial, accounting, regulatory and investment matters and has contributed to the Boards' deliberations.

Edward L. Cameron,
Trustee (since 1999)
Year of Birth: 1938

Member of The Life Guard of Mount Vernon (George Washington historical site) (June 2000-June 2006); Partner of PricewaterhouseCoopers LLP (accounting firm) (July 1974-June 1999); Chairman of Price Waterhouse LLP Global Investment Management Industry Services Group (accounting firm) (July 1994-June 1998). Oversees 39 portfolios in the OppenheimerFunds complex. Mr. Cameron has served on the Boards of certain Oppenheimer funds since 1999, during which time he has become familiar with the Fund's (and other Oppenheimer funds') financial, accounting, regulatory and investment matters and has contributed to the Boards' deliberations.

Jon S. Fossel,
Trustee (since 1993)
Year of Birth: 1942

Chairman of the Board (2006-December 2011) and Director (June 2002-December 2011) of UNUMProvident (insurance company); Director of Northwestern Energy Corp. (public utility corporation) (November 2004-December 2009); Director of P.R. Pharmaceuticals (October 1999-October 2003); Director of Rocky Mountain Elk Foundation (non-profit organization) (February 1998-February 2003 and February 2005-February 2007); Chairman and Director (until October 1996) and President and Chief Executive Officer (until October 1995) of the Sub-Adviser; President, Chief Executive Officer and Director of the following: Oppenheimer Acquisition Corp. ("OAC") (parent holding company of the Sub-Adviser), Shareholders Services, Inc. and Shareholder Financial Services, Inc. (until October 1995). Oversees 39 portfolios in the OppenheimerFunds complex. Mr. Fossel has served on the Boards of certain Oppenheimer funds since 1990, during which time he has become familiar with the Fund's (and other Oppenheimer funds') financial, accounting, regulatory and investment matters and has contributed to the Boards' deliberations.

Richard F. Grabish,
Trustee (since 2012)
Year of Birth: 1948

Formerly Senior Vice President and Assistant Director of Sales and Marketing (March 1997-December 2007), Director (March 1987-December 2007) and Manager of Private Client Services (June 1985-June 2005) of A.G. Edwards & Sons, Inc. (broker/dealer and investment firm); Chairman and Chief Executive Officer of A.G. Edwards Trust Company, FSB (March 2001-December 2007); President and Vice Chairman of A.G. Edwards Trust Company, FSB (investment adviser) (April 1987-March 2001); President of A.G. Edwards Trust Company, FSB (investment adviser) (June 2005-December 2007). Oversees 39 portfolios in the OppenheimerFunds complex. Mr. Grabish has served on the Boards of certain Oppenheimer funds since 2001, during which time he has become familiar with the Fund's (and other Oppenheimer funds') financial, accounting, regulatory and investment matters and has contributed to the Boards' deliberations.

Beverly L. Hamilton,
Trustee (since 2002)
Year of Birth: 1946

Trustee of Monterey Institute for International Studies (educational organization) (since February 2000); Board Member of Middlebury College (educational organization) (December 2005-June 2011); Chairman (since 2010) of American Funds' Emerging Markets Growth Fund, Inc. (mutual fund); Director of The California Endowment (philanthropic organization) (April 2002-April 2008); Director (February 2002-2005) and Chairman of Trustees (2006-2007) of the Community Hospital of Monterey Peninsula; Director (October 1991-2005); Vice Chairman (2006-2009) of American Funds' Emerging Markets Growth Fund, Inc. (mutual fund); President of ARCO Investment Management Company (February 1991-April 2000); Member of the investment committees of The Rockefeller Foundation (2001-2006) and The University of Michigan (since 2000); Advisor at Credit Suisse First Boston's Sprout venture capital unit (venture capital fund) (1994-January 2005); Trustee of MassMutual Institutional Funds (investment company) (1996-June 2004); Trustee of MML Series Investment Fund (investment company) (April 1989-June 2004); Member of the investment committee of Hartford Hospital (2000-2003); and Advisor to Unilever (Holland) pension fund (2000-2003). Oversees 39 portfolios in the OppenheimerFunds complex. Ms. Hamilton has served on the Boards of certain Oppenheimer funds since 2002, during which time she has become familiar with the Fund's (and other Oppenheimer funds') financial, accounting, regulatory and investment matters and has contributed to the Boards' deliberations.

Victoria J. Herget,
Trustee (since 2012)
Year of Birth: 1951

Independent Director of the First American Funds (mutual fund family) (2003-2011); former Managing Director (1993-2001), Principal (1985-1993), Vice President (1978-1985) and Assistant Vice President (1973-1978) of Zurich Scudder Investments (and its predecessor firms); Board Chair (2008-Present) and Director (2004-Present), United Educators (insurance company); Trustee (1992-2007), Chair of the Board of Trustees (1999-2007), Investment Committee Chair (1994-1999) and Investment Committee member (2007-2010) of Wellesley College; Trustee (since 2000) and Chair (since 2010), Newberry Library; Trustee, Mather LifeWays (since 2001); Trustee, BoardSource (2006-2009) and Chicago City Day School (1994-2005). Oversees 39 portfolios in the OppenheimerFunds complex. Ms. Herget has served on the Boards of certain Oppenheimer funds since 2012, during which time she has become familiar with the Fund's (and other Oppenheimer funds') financial, accounting, regulatory and investment matters and has contributed to the Boards' deliberations.

Robert J. Malone,
Trustee (since 2002)
Year of Birth: 1944

Chairman of the Board (since 2012) and Director (since August 2005) of Jones International University (educational organization) (since August 2005); Chairman, Chief Executive Officer and Director of Steele Street Bank Trust (commercial banking) (since August 2003); Trustee of the Gallagher Family Foundation (non-profit organization) (since 2000); Board of Directors of Opera Colorado Foundation (non-profit organization) (2008-2012); Director of Colorado UpLIFT (charitable organization) (1986-2010); Director of Jones Knowledge, Inc. (2006-2010); Former Chairman of U.S. Bank-Colorado (subsidiary of U.S. Bancorp and formerly Colorado National Bank) (July 1996-April 1999); Director of Commercial Assets, Inc.

Robert J. Malone,
Continued

(real estate investment trust) (1993-2000); Director of U.S. Exploration, Inc. (oil and gas exploration) (1997-February 2004); Chairman of the Board (1991-1994) and Trustee (1985-1994) of Regis University; and Chairman of the Board (1990-1991) and Trustee (1984-1999) of Young Presidents Organization. Oversees 39 portfolios in the OppenheimerFunds complex. Mr. Malone has served on the Boards of certain Oppenheimer funds since 2002, during which time he has become familiar with the Fund's (and other Oppenheimer funds') financial, accounting, regulatory and investment matters and has contributed to the Boards' deliberations.

F. William Marshall, Jr.,
Trustee (since 2000)
Year of Birth: 1942

Trustee Emeritus of Worcester Polytech Institute (WPI) (private university) (since 2009); Trustee of MassMutual Select Funds (formerly MassMutual Institutional Funds) (investment company) (since 1996), MML Series Investment Fund (investment company) (since 1996) and Mass Mutual Premier Funds (investment company) (since January 2012); President and Treasurer of the SIS Fund (private charitable fund) (January 1999 – March 2011); Former Trustee of WPI (1985-2008); Former Chairman of the Board (2004-2006) and Former Chairman of the Investment Committee of WPI (1994-2008); Chairman of SIS & Family Bank, F.S.B. (formerly SIS Bank) (commercial bank) (January 1999-July 1999); Executive Vice President of Peoples Heritage Financial Group, Inc. (commercial bank) (January 1999-July 1999); and Former President and Chief Executive Officer of SIS Bancorp. (1993-1999). Oversees 43 portfolios in the OppenheimerFunds complex. Mr. Marshall has served on the Boards of certain Oppenheimer funds since 2000, during which time he has become familiar with the Fund's (and other Oppenheimer funds') financial, accounting, regulatory and investment matters and has contributed to the Boards' deliberations.

Karen L. Stuckey,
Trustee (since 2012)
Year of Birth: 1953

Partner (1990-2012) of PricewaterhouseCoopers LLP (held various positions 1975-1990); Emeritus Trustee (since 2006), Trustee (1992-2006) and member of Executive, Nominating and Audit Committees and Chair of Finance Committee of Lehigh University; and member, Women's Investment Management Forum since inception. Oversees 39 portfolios in the OppenheimerFunds complex. Ms. Stuckey has served on the Boards of certain Oppenheimer funds since 2012, during which time she has become familiar with the Fund's (and other Oppenheimer funds') financial, accounting, regulatory and investment matters and has contributed to the Boards' deliberations.

James D. Vaughn,
Trustee (since 2012)
Year of Birth: 1945

Retired; former managing partner (1994-2001) of Denver office of Deloitte & Touche LLP, (held various positions 1969-1993); Trustee and Chairman of the Audit Committee of Schroder Funds (2003-2012); Board member and Chairman of Audit Committee of AMG National Trust Bank (since 2005); Trustee and Investment Committee member, University of South Dakota Foundation (since 1996); Board member, Audit Committee Member and past Board Chair, Junior Achievement (since 1993); former Board member, Mile High United Way, Boys and Girls Clubs, Boy Scouts, Colorado Business Committee for the Arts, Economic Club of Colorado and Metro Denver Network. Oversees 39 portfolios in the OppenheimerFunds complex. Mr. Vaughn has served on the Boards of certain Oppenheimer funds since 2012, during which time he has become familiar with the Fund's (and other Oppenheimer funds') financial, accounting, regulatory and investment matters and has contributed to the Boards' deliberations.

INTERESTED TRUSTEE AND OFFICER

Mr. Glavin is an "Interested Trustee" because he is affiliated with the Manager and the Sub-Adviser by virtue of his positions as an officer and director of the Manager and a director of the Sub-Adviser, and as a shareholder of the Sub-Adviser's parent company. Both as a Trustee and as an officer, he serves for an indefinite term, or until his resignation, retirement, death or removal. Mr. Glavin's address is Two World Financial Center, 225 Liberty Street, 11th Floor, New York, New York 10281-1008.

William F. Glavin, Jr.,
Trustee, President and Principal Executive Officer (since 2009)
Year of Birth: 1958

Director, Chairman and Chief Executive Officer of the Manager (since January 2013); President of the Manager (January 2013-May 2013); Chairman of the Sub-Adviser (December 2009-December 2012); Chief Executive Officer (January 2009-December 2012) and Director of the Sub-Adviser (since January 2009); President of the Sub-Adviser (May 2009-December 2012); Management Director (since June 2009), President (since December 2009) and Chief Executive Officer (since January 2011) of Oppenheimer Acquisition Corp. ("OAC") (the Sub-Adviser's parent holding company); Director of Oppenheimer Real Asset Management, Inc. (since March 2010); Executive Vice President (March 2006-February 2009) and Chief Operating Officer (July 2007-February 2009) of Massachusetts Mutual Life Insurance Company (OAC's parent company); Director (May 2004-March 2006) and Chief Operating Officer and Chief Compliance Officer (May 2004-January 2005), President (January 2005-March 2006) and Chief Executive Officer (June 2005-March 2006) of Babson Capital Management LLC; Director (March 2005-March 2006), President (May 2003-March 2006) and Chief Compliance Officer (July 2005-March 2006) of Babson Capital Securities, Inc. (a broker-dealer); President (May 2003-March 2006) of Babson Investment Company, Inc.; Director (May 2004-August 2006) of Babson Capital Europe Limited; Director (May 2004-October 2006) of Babson Capital Guernsey Limited; Director (May 2004-March 2006) of Babson Capital Management LLC; Non-Executive Director (March 2005-March 2007) of Baring Asset Management Limited; Director (February 2005-June 2006) Baring Pension Trustees Limited; Director and Treasurer (December 2003-November 2006) of Charter Oak Capital Management, Inc.; Director (May 2006-September 2006) of C.M. Benefit Insurance Company; Director (May 2008-June 2009) and Executive Vice President (June 2007-July 2009) of C.M. Life Insurance Company; President (March 2006-May 2007) of MassMutual Assignment Company; Director (January 2005-December 2006), Deputy Chairman (March 2005-December 2006) and President (February 2005-March 2005) of MassMutual Holdings (Bermuda) Limited; Director (May 2008-June 2009) and Executive Vice President (June 2007-July 2009) of MML Bay State Life Insurance Company; Chief Executive Officer and President (April 2007-January 2009) of MML Distributors, LLC; and Chairman (March 2006-December 2008) and Chief Executive Officer (May 2007-December 2008) of MML Investors Services, Inc. An officer of 90 portfolios in the OppenheimerFunds complex.

OTHER OFFICERS OF THE FUND

The addresses of the Officers in the chart below are as follows: for Messrs. Steinmetz, Memani, Gabinet and Mss. Zervos and Nasta, Two World Financial Center, 225 Liberty Street, New York, New York 10281-1008; for Messrs. Brown, Vandehey and Wixted, 6803 S. Tucson Way, Centennial, Colorado 80112-3924. Each Officer serves for an indefinite term or until his or her resignation, retirement, death or removal.

TRUSTEES AND OFFICERS

Unaudited / Continued

Arthur P. Steinmetz,
Vice President (since 1993)
Year of Birth: 1958

President of the Manager (since May 2013); Director of the Manager (since January 2013); President and Director of OFI SteelPath, Inc. (since January 2013); Chief Investment Officer of the OppenheimerFunds advisory entities (January 2013-December 2013); Executive Vice President of the Manager (January 2013-May 2013); Chief Investment Officer of the Sub-Adviser (October 2010-December 2012); Chief Investment Officer, Fixed-Income, of the Sub-Adviser (April 2009-October 2010); Executive Vice President of the Sub-Adviser (October 2009-December 2012); Director of Fixed Income of the Sub-Adviser (January 2009-April 2009); and a Senior Vice President of the Sub-Adviser (March 1993-September 2009). A portfolio manager and an officer of other portfolios in the OppenheimerFunds complex.

Krishna Memani,
Vice President (since 2009)
Year of Birth: 1960

President of the Sub-Adviser (since January 2013); Executive Vice President of the Manager (since January 2014) and Chief Investment Officer of the OppenheimerFunds advisory entities (since January 2014). Chief Investment Officer, Fixed Income of the Sub-Adviser (January 2013-December 2013); Head of the Investment Grade Fixed Income Team of the Sub-Adviser (March 2009-January 2014); Director of Fixed Income of the Sub-Adviser (October 2010-December 2012); Senior Vice President of the Sub-Adviser (March 2009-December 2012) and Senior Vice President of OFI Global Institutional, Inc. (April 2009-December 2012). Managing Director and Head of the U.S. and European Credit Analyst Team at Deutsche Bank Securities (June 2006-January 2009). Chief Credit Strategist at Credit Suisse Securities (August 2002-March 2006). Managing Director and Senior Portfolio Manager at Putnam Investments (September 1998-June 2002). A portfolio manager and an officer of other portfolios in the OppenheimerFunds complex.

Sara J. Zervos, Ph.D.
Vice President (since 2010)
Year of Birth: 1969

Senior Vice President of the Sub-Adviser (since January 2011); Head of the Global Debt Team (since October 2010) and the team's Director of International Research. Ms. Zervos serves on the Board of the Emerging Market Trade Association (EMTA) (since January 2014) and is a member of the Federal Reserve Bank of New York Foreign Exchange Committee (since January 2014). Vice President of the Sub-Adviser (April 2008-December 2010). Portfolio manager with Sailfish Capital Management (May 2007-February 2008) and a portfolio manager for emerging market debt at Dillon Read Capital Management and OTA Asset Management (June 2004-April 2007). A portfolio manager and officer of other portfolios in the OppenheimerFunds complex.

Jack Brown,
Vice President (since 2013)
Year of Birth: 1973

Vice President of the Sub-Adviser (since May 2009) and was a senior analyst for the High Yield Corporate Debt team (from 2000-2012). He joined the Sub-Adviser (in 1995) and has held numerous positions including fixed income liaison, analyst and senior analyst. A portfolio manager and officer of other portfolios in the OppenheimerFunds complex.

Arthur S. Gabinet,
Secretary and Chief Legal Officer (since 2011)
Year of Birth: 1958

Executive Vice President, Secretary and General Counsel of the Manager (since January 2013); General Counsel OFI SteelPath, Inc. (since January 2013); Executive Vice President (May 2010-December 2012) and General Counsel (since January 2011) of the Sub-Adviser; General Counsel of the Distributor (since January 2011); General Counsel of Centennial Asset Management Corporation (January 2011-December 2012); Executive Vice President (January 2011-December 2012) and General Counsel of HarbourView Asset Management Corporation (since January 2011); Assistant Secretary (since January 2011) and Director (since January 2011) of OppenheimerFunds International Ltd. and OppenheimerFunds plc; Director of Oppenheimer Real Asset Management, Inc. (January 2011-December 2012) and General Counsel (since January 2011); Executive Vice President (January 2011-December 2011) and General Counsel of Shareholder Financial Services, Inc. and Shareholder Services, Inc. (since January 2011); Executive Vice President (January 2011-December 2012) and General Counsel of OFI Private Investments Inc. (since January 2011); Vice President of OppenheimerFunds Legacy Program (January 2011-December 2011); Executive Vice President (January 2011-December 2012) and General Counsel of OFI Institutional Asset Management, Inc. (since January 2011); General Counsel, Asset Management of the Sub-Adviser (May 2010-December 2010); Principal, The Vanguard Group (November 2005-April 2010); District Administrator, U.S. Securities and Exchange Commission (January 2003-October 2005). An officer of 90 portfolios in the OppenheimerFunds complex.

Christina M. Nasta,
Vice President and Chief Business Officer (since 2011)
Year of Birth: 1973

Senior Vice President of OppenheimerFunds Distributor, Inc. (since January 2013); Senior Vice President of the Sub-Adviser (July 2010-December 2012); Vice President of the Sub-Adviser (January 2003-July 2010); Vice President of OppenheimerFunds Distributor, Inc. (January 2003-July 2010). An officer of 90 portfolios in the OppenheimerFunds complex.

Mark S. Vandehey,
Vice President and Chief Compliance Officer (since 2004)
Year of Birth: 1950

Senior Vice President and Chief Compliance Officer of the Manager (since January 2013); Chief Compliance Officer of OFI SteelPath, Inc. (since January 2013); Senior Vice President of the Sub-Adviser (March 2004-December 2012); Chief Compliance Officer of the Sub-Adviser, OppenheimerFunds Distributor, Inc., OFI Trust Company, OFI Institutional Asset Management, Inc., Oppenheimer Real Asset Management, Inc., OFI Private Investments, Inc., Harbourview Asset Management Corporation, Trinity Investment Management Corporation, and Shareholder Services, Inc. (since March 2004); Vice President of OppenheimerFunds Distributor, Inc., Centennial Asset Management Corporation and Shareholder Services, Inc. (June 1983-December 2012). An officer of 90 portfolios in the OppenheimerFunds complex.

Brian W. Wixted,
Treasurer and Principal Financial & Accounting Officer (since 1999)
Year of Birth: 1959

Senior Vice President of the Manager (since January 2013); Treasurer of the Sub-Adviser, HarbourView Asset Management Corporation, Shareholder Financial Services, Inc., Shareholder Services, Inc., and Oppenheimer Real Asset Management, Inc. (March 1999-June 2008), OFI Private Investments, Inc. (March 2000-June 2008), OppenheimerFunds International Ltd. and OppenheimerFunds plc (since May 2000), OFI Institutional Asset Management, Inc. (November 2000-June 2008), and OppenheimerFunds Legacy Program (charitable trust program established by the Sub-Adviser) (June 2003-December 2011); Treasurer and Chief Financial Officer of OFI Trust Company (since May 2000); Assistant Treasurer of Oppenheimer Acquisition Corporation (March 1999-June 2008). An officer of 90 portfolios in the OppenheimerFunds complex.

OPPENHEIMER GLOBAL STRATEGIC INCOME FUND/VA

A Series of Oppenheimer Variable Account Funds

Manager OFI Global Asset Management, Inc.

Sub-Adviser OppenheimerFunds, Inc.

Distributor OppenheimerFunds Distributor, Inc.

**Transfer and
Shareholder
Servicing Agent** OFI Global Asset Management, Inc.

Sub-Transfer Agent Shareholder Services, Inc.
DBA OppenheimerFunds Services

**Independent
Registered Public
Accounting Firm** KPMG LLP

Counsel K&L Gates LLP

Before investing, investors should carefully consider a fund's investment objectives, risks, charges and expenses. Fund prospectuses and summary prospectuses contain this and other information about the funds, and may be obtained by asking your financial advisor, or calling us at 1.800.988.8287. Read prospectuses and summary prospectuses carefully before investing.

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