



**OppenheimerFunds®**

The Right Way  
to Invest

*June 30, 2017*

Oppenheimer

# International Growth Fund/VA

A Series of Oppenheimer Variable Account Funds

**Semiannual Report**

## **SEMIANNUAL REPORT**

Listing of Top Holdings

Fund Performance Discussion

Financial Statements

**PORTFOLIO MANAGERS:** George R. Evans, CFA, and Robert B. Dunphy, CFA

## AVERAGE ANNUAL TOTAL RETURNS FOR THE PERIODS ENDED 6/30/17

	Inception Date	6-Months	1-Year	5-Year	10-Year
Non-Service Shares	5/13/92	15.08%	15.63%	9.49%	3.63%
Service Shares	3/19/01	15.67	15.67	9.28	3.42
MSCI AC World ex-U.S. Index		14.10	20.45	7.22	1.13

**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. Returns for periods of less than one year are cumulative and not annualized. See Fund prospectuses and summary prospectuses for more information on share classes and sales charges.*

The Fund's performance is compared to the performance of the MSCI AC World ex-U.S. Index. The MSCI AC World ex-U.S. Index is designed to measure the equity market performance of developed and emerging markets and excludes the U.S. The Index is unmanaged and cannot be purchased directly by investors. While index comparisons may be useful to provide a benchmark for the Fund's performance, it must be noted that the Fund's investments are not limited to the investments comprising the Index. 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.

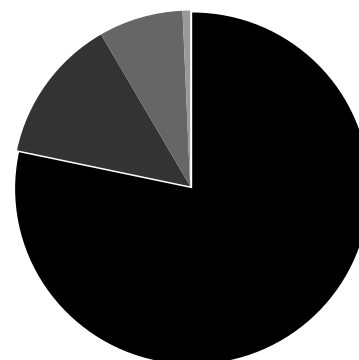
## TOP HOLDINGS AND ALLOCATIONS

### TOP TEN COMMON STOCK HOLDINGS

Infineon Technologies AG	2.3%
SAP SE	1.9
Nippon Telegraph & Telephone Corp.	1.8
Valeo SA	1.8
Carnival Corp.	1.6
Continental AG	1.6
Hero MotoCorp Ltd.	1.5
Keyence Corp.	1.5
Lonza Group AG	1.5
Temenos Group AG	1.5

Portfolio holdings and allocations are subject to change. Percentages are as of June 30, 2017, and are based on net assets. For more current Fund holdings, please visit [oppenheimerfunds.com](http://oppenheimerfunds.com).

### REGIONAL ALLOCATION



- Europe—78.3%
- Asia—13.3%
- U.S./Canada—7.7%
- Middle East/Africa—0.7%

Portfolio holdings and allocations are subject to change. Percentages are as of June 30, 2017, and are based on the total market value of investments.

## Fund Performance Discussion

The Fund's Non-Service shares generated a return of 15.08% during the reporting period. On a relative basis, the Fund outperformed the MSCI All Country World Ex-U.S. Index (the "Index"), which returned 14.10%. The Fund outperformed the Index in eight out of eleven sectors during the reporting period, led by stock selection in the health care and materials sectors, and an underweight position in the energy sector, which was the only negative performing sector of the Index this period. The Fund underperformed the Index in the consumer staples, consumer discretionary and telecommunication services sectors, due primarily to weaker relative stock selection.

With regard to countries, we remind investors that we are fundamental, bottom-up investors viewing the world as one stock market. Our geographic exposure is purely the result of our stock selection and does not reflect any views regarding the general economy of any country. During this reporting period, stock holdings in France, Japan and Canada benefited performance. Our weightings relative to the Index in these three countries also benefited performance. We had an overweight position in France and underweight positions in Japan and Canada. Detractors included South China, South Korea and the United States. The markets of China and South Korea appreciated strongly this reporting period, but we did not participate in the rally as we do not own any companies there. As a result, the Fund underperformed in those markets. The Fund underperformed in the United States due to weaker relative stock selection.

### MARKET OVERVIEW

The market strength that began post the U.S. election continued over the six-month reporting period ended June 30, 2017. The capacity of the world's electorates to surprise continued as well. The French handed a Presidential victory to Emmanuel Macron, a pro-European centrist, and followed that up with a landslide vote for his new political party in the national legislative elections there. In the UK, Theresa May snatched defeat from the jaws of an expected certain victory. Taken together, these events improved the outlook for European cooperation and a softer "Brexit."

In the real economy, the Spanish swiftly handled a potential insolvency of the country's sixth largest bank, Banco Popular, organizing its purchase by Santander for 1 Euro. The Italian government finally began bailing out the banking system after reaching a compromise with the Germans on a plan that took into account the peculiar particulars of that banking system, where many bondholders are de facto depositors.

### TOP INDIVIDUAL CONTRIBUTORS

Top contributors to the Fund's performance this period included CSL Ltd., Infineon Technologies AG and Grifols, SA.

CSL is an Australian company that uses plasma to manufacture diagnostic products, drugs and vaccines. The need for blood work rises with the rising number of medical procedures that an aging population requires, so the secular demand trend for CSL's product is strongly upward. Over the past five years, CSL has invested in expanding its collection center network. Now, at a time when there are some shortages in the industry, CSL is advantaged. This is feeding through to earnings and the share price reacted favorably when the company announced them earlier this year.

Infineon Technologies, a German semiconductor company, is the dominant provider to the automotive industry. It was for this reason that we added it to the portfolio in late 2014 as part of our investment theme focused on the evolution of the car. The accelerating pace of that evolution has been increasing demand for Infineon's chips. The company raised their guidance for 2017 earnings during the first quarter and the share price rose as a result.

Grifols is a plasma product company that benefits from the same demographic aging trend that is a tailwind for CSL. Through an acquisition, Grifols has increased its capacity to collect plasma, and is advantaged against smaller competitors in much the same way as CSL. During the quarter, the share price rose to new highs as the analyst community raised earnings forecasts for the company.

### TOP INDIVIDUAL DETRACTORS

Detractors from performance this reporting period included Aryzta AG, Pandora AS and TechnipFMC plc.

Aryzta is a Swiss-based provider of partially baked goods to casual and fast food restaurants and we have owned it for many years. Poor capital allocation has become an issue at Aryzta. In 2015 they acquired Picard, a French frozen food retailer. The strategic logic of this was questionable and Aryzta's management did a very poor job reaping any benefits from it. We exited our position during the reporting period.

Pandora, the Danish jewelry retailer, has benefitted from the consumer trend towards brands in the very fragmented jewelry market. Furthermore, Pandora is the only company applying fast fashion techniques to the jewelry industry. They offer a good product mix at a price point that is well within reach of most middle-class consumers. Currently, there is some controversy over the reporting changes the company introduced during the reporting period. In our opinion, these changes are appropriate to the changing emphasis of Pandora's business as they focus more on their own store channel and less on the wholesale dealer channel.

TechnipFMC is the result of a merger early this year between French oil service company Technip, who specializes in developing offshore oil and gas fields, and U.S.-based FMC Technologies, a maker of energy equipment. Since merging, the managers have maintained their combined revenues while raising their operating profits through executing well on realizing their potential synergies. After a run of fairly good performance, the shares suffered this reporting period with the decline in oil prices.

#### STRATEGY & OUTLOOK

During the reporting period, we saw European equities begin to outperform their U.S. counterparts, a trend that resumed through the end of June 2017. In our opinion, conditions are supportive of a shift to an extended period of European outperformance. We believe liquidity is strong in Europe with quantitative easing and central bank stimulus continuing there, even as the Federal Reserve in the U.S. is tightening liquidity. Earnings momentum is supportive, as the strong earnings forecasts for many companies show. Valuations in Europe are significantly below those in the U.S. and therefore more attractive.

We are not top-down regional investors, but bottom up, global, growth investors with a mandate to buy non-U.S. companies. We seek to invest in companies that are on the winning side of long term structural trends and that have the ability to monetize them over a long period of time. With our mandate and that approach, most of the companies that we find attractive are in the developed markets, and most are European. Therefore, we have a heavy weighting in European-domiciled companies. We believe an increased flow of funds into European stock markets would be positive for the absolute performance of all companies listed there, including ours.

**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.**

## 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 June 30, 2017.

**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 6 Months Ended June 30, 2017" 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 January 1, 2017	Ending Account Value June 30, 2017	Expenses Paid During 6 Months Ended June 30, 2017
<b>Actual</b>			
Non-Service shares	\$ 1,000.00	\$ 1,150.80	\$ 5.35
Service shares	1,000.00	1,156.70	6.70
<b>Hypothetical</b> (5% return before expenses)			
Non-Service shares	1,000.00	1,019.84	5.02
Service shares	1,000.00	1,018.60	6.28

Expenses are equal to the Fund's annualized expense ratio for that class, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). Those annualized expense ratios, excluding indirect expenses from affiliated funds, based on the 6-month period ended June 30, 2017 are as follows:

Class	Expense Ratios
Non-Service shares	1.00%
Service shares	1.25

The expense ratios reflect voluntary and/or contractual waivers and/or reimbursements of expenses by the Fund's Manager. Some of these undertakings may be modified or terminated at any time, as indicated in the Fund's prospectus. 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.

# STATEMENT OF INVESTMENTS June 30, 2017 Unaudited

	Shares	Value
<b>Common Stocks—98.6%</b>		
<b>Consumer Discretionary—22.7%</b>		
<b>Auto Components—4.4%</b>		
Continental AG	39,803	\$ 8,589,804
Koito Manufacturing Co. Ltd.	112,300	5,800,872
Valeo SA	146,263	9,921,503
		24,312,179
<b>Automobiles—3.4%</b>		
Bayerische Motoren Werke AG	51,801	4,821,466
Hero MotoCorp Ltd.	152,141	8,704,562
Subaru Corp.	161,200	5,448,620
		18,974,648
<b>Diversified Consumer Services—0.6%</b>		
Dignity plc	103,837	3,363,295
<b>Hotels, Restaurants &amp; Leisure—3.1%</b>		
Carnival Corp.	139,120	9,122,099
Domino's Pizza Group plc	1,076,364	4,122,229
Whitbread plc	76,429	3,949,390
		17,193,718
<b>Household Durables—1.4%</b>		
SEB SA	44,610	8,014,826
<b>Media—2.4%</b>		
ProSiebenSat.1 Media SE	110,964	4,643,538
SES SA, Cl. A, FDR	240,850	5,647,873
Technicolor SA	730,880	3,189,496
		13,480,907
<b>Multiline Retail—1.3%</b>		
Dollarama, Inc.	75,862	7,248,659
<b>Specialty Retail—0.9%</b>		
Industria de Diseno Textil SA	122,513	4,717,896
<b>Textiles, Apparel &amp; Luxury Goods—5.2%</b>		
Burberry Group plc	230,891	5,002,303
Cie Financiere Richemont SA	71,540	5,903,306
Hermes International	12,846	6,352,455
LVMH Moet Hennessy Louis Vuitton SE	27,780	6,968,946
Pandora AS	47,309	4,435,459
		28,662,469
<b>Consumer Staples—11.3%</b>		
<b>Beverages—3.2%</b>		
Anheuser-Busch InBev SA/NV	33,714	3,730,628
Diageo plc	94,606	2,796,684
Heineken NV	75,601	7,364,958
Pernod Ricard SA	29,210	3,915,817
		17,808,087
<b>Food &amp; Staples Retailing—2.5%</b>		
Alimentation Couche-Tard, Inc., Cl. B	108,056	5,179,489
CP ALL PCL	2,796,000	5,166,655
SPAR Group Ltd. (The)	318,085	3,748,327
		14,094,471
<b>Food Products—3.7%</b>		
Barry Callebaut AG <sup>1</sup>	3,921	5,394,981
Danone SA	49,745	3,739,302
Saputo, Inc.	193,564	6,157,090
Unilever plc	95,427	5,168,965
		20,460,338
<b>Household Products—1.1%</b>		
Reckitt Benckiser Group plc	61,068	6,196,118
<b>Tobacco—0.8%</b>		
Swedish Match AB	127,539	4,496,885
<b>Energy—1.5%</b>		
<b>Energy Equipment &amp; Services—0.7%</b>		
TechnipFMC plc <sup>1</sup>	149,682	4,069,504

	Shares	Value
<b>Oil, Gas &amp; Consumable Fuels—0.8%</b>		
Koninklijke Vopak NV	97,800	\$ 4,540,268
<b>Financials—4.8%</b>		
<b>Capital Markets—2.1%</b>		
NEX Group plc	482,822	3,929,896
TP ICAP plc	659,951	4,019,206
UBS Group AG <sup>1</sup>	206,129	3,499,174
		11,448,276
<b>Commercial Banks—0.6%</b>		
ICICI Bank Ltd., Sponsored ADR	379,593	3,404,949
<b>Consumer Finance—0.5%</b>		
Prosegur Cash SA <sup>1,2</sup>	1,119,888	2,942,878
<b>Insurance—1.0%</b>		
Prudential plc	249,423	5,730,098
<b>Real Estate Management &amp; Development—0.6%</b>		
Scout24 AG <sup>2</sup>	82,367	3,032,520
<b>Health Care—12.5%</b>		
<b>Biotechnology—2.7%</b>		
CSL Ltd.	65,500	6,959,822
Grifols SA	287,037	8,004,834
		14,964,656
<b>Health Care Equipment &amp; Supplies—3.9%</b>		
Coloplast AS, Cl. B	63,939	5,355,662
Essilor International SA	46,883	5,994,466
Sonova Holding AG	32,421	5,263,597
William Demant Holding AS <sup>1</sup>	192,102	4,988,042
		21,601,767
<b>Health Care Providers &amp; Services—0.7%</b>		
Sonic Healthcare Ltd.	225,199	4,192,316
<b>Life Sciences Tools &amp; Services—1.5%</b>		
Lonza Group AG <sup>1</sup>	38,516	8,329,670
<b>Pharmaceuticals—3.7%</b>		
Bayer AG	41,145	5,323,508
Novo Nordisk AS, Cl. B	130,597	5,601,963
Roche Holding AG	22,730	5,803,789
Vifor Pharma AG	35,390	3,912,346
		20,641,606
<b>Industrials—18.7%</b>		
<b>Aerospace &amp; Defense—1.2%</b>		
Airbus SE	81,340	6,702,142
<b>Air Freight &amp; Couriers—0.5%</b>		
Royal Mail plc	486,915	2,672,870
<b>Commercial Services &amp; Supplies—2.4%</b>		
Edenred	260,554	6,801,058
Prosegur Cia de Seguridad SA	981,594	6,393,850
		13,194,908
<b>Construction &amp; Engineering—0.7%</b>		
Boskalis Westminster	111,628	3,627,112
<b>Electrical Equipment—3.8%</b>		
ABB Ltd.	101,026	2,499,402
Legrand SA	86,820	6,080,885
Nidec Corp.	73,900	7,588,630
Schneider Electric SE	64,530	4,967,000
		21,135,917
<b>Machinery—3.6%</b>		
Aalberts Industries NV	176,855	7,049,437
Atlas Copco AB, Cl. A	198,170	7,632,436
Kubota Corp.	203,700	3,432,678
Weir Group plc (The)	87,833	1,985,283
		20,099,834
<b>Professional Services—2.4%</b>		
Experian plc	227,753	4,677,091

	Shares	Value
<b>Professional Services (Continued)</b>		
Intertek Group plc	104,300	\$ 5,736,609
SGS SA	1,199	2,906,770
		13,320,470
<b>Trading Companies &amp; Distributors—4.1%</b>		
Brenntag AG	94,853	5,492,111
Bunzl plc	229,380	6,842,188
Travis Perkins plc	262,917	4,986,025
Wolseley plc	91,277	5,613,277
		22,933,601
<b>Information Technology—16.9%</b>		
<b>Communications Equipment—1.1%</b>		
Nokia OYJ	946,619	5,817,821
<b>Electronic Equipment, Instruments, &amp; Components—3.1%</b>		
Hoya Corp.	106,093	5,525,504
Keyence Corp.	19,312	8,500,534
Spectris plc	98,614	3,245,854
		17,271,892
<b>Internet Software &amp; Services—0.8%</b>		
United Internet AG	79,788	4,387,592
<b>IT Services—2.5%</b>		
Amadeus IT Group SA	116,179	6,950,058
Atos SE	49,810	6,988,919
		13,938,977
<b>Semiconductors &amp; Semiconductor Equipment—4.3%</b>		
ASML Holding NV	47,392	6,170,491
Infineon Technologies AG	599,615	12,706,778
STMicroelectronics NV	359,680	5,157,605
		24,034,874
<b>Software—5.1%</b>		
Dassault Systemes SE	60,637	5,434,245
Gemalto NV	65,184	3,936,681
SAP SE	103,188	10,785,125

	Shares	Value
<b>Software (Continued)</b>		
Temenos Group AG	91,994	\$ 8,205,524
		28,361,575
<b>Materials—4.9%</b>		
<b>Chemicals—2.7%</b>		
Essentra plc	473,052	3,479,009
Novozymes AS, Cl. B	115,792	5,070,878
Sika AG	971	6,250,786
		14,800,673
<b>Construction Materials—0.8%</b>		
James Hardie Industries plc	288,500	4,545,970
<b>Containers &amp; Packaging—1.4%</b>		
CCL Industries, Inc., Cl. B	155,243	7,854,328
<b>Telecommunication Services—5.3%</b>		
<b>Diversified Telecommunication Services—4.4%</b>		
BT Group plc	1,120,366	4,302,369
Iliad SA	28,040	6,634,285
Inmarsat plc	306,853	3,077,188
Nippon Telegraph & Telephone Corp.	217,400	10,283,862
		24,297,704
<b>Wireless Telecommunication Services—0.9%</b>		
Vodafone Group plc	1,869,666	5,305,724
Total Common Stocks (Cost \$355,019,025)		548,226,988
<b>Preferred Stock—0.0%</b>		
Zee Entertainment Enterprises Ltd., 6% Cum. Non-Cv. (Cost \$12,272)	599,541	89,786
<b>Investment Company—1.4%</b>		
Oppenheimer Institutional Government Money Market Fund, Cl. E, 0.86% <sup>3,4</sup> (Cost \$7,847,601)	7,847,601	7,847,601
<b>Total Investments, at Value (Cost \$362,878,898)</b>	100.0%	556,164,375
<b>Net Other Assets (Liabilities)</b>	0.0	(184,073)
<b>Net Assets</b>	<b>100.0%</b>	<b>\$ 555,980,302</b>

## Footnotes to Statement of Investments

1. Non-income producing security.
2. 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 \$5,975,398 or 1.07% of the Fund's net assets at period end.
3. Rate shown is the 7-day yield at period end.
4. Is or was an affiliate, as defined in the Investment Company Act of 1940, as amended, at or during the reporting period, 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 reporting period in which the issuer was an affiliate are as follows:

	Shares December 31, 2016	Gross Additions	Gross Reductions	Shares June 30, 2017
Oppenheimer Institutional Government Money Market Fund, Cl. E	9,483,349	49,217,744	50,853,492	7,847,601
			<b>Value</b>	<b>Income</b>
Oppenheimer Institutional Government Money Market Fund, Cl. E		\$	7,847,601	\$ 37,179

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

Geographic Holdings	Value	Percent
United Kingdom	\$ 100,271,171	18.0%
France	97,353,220	17.5
Switzerland	63,126,949	11.4
Germany	59,782,443	10.8
Japan	46,580,701	8.4
Netherlands	32,688,948	5.9
Spain	29,009,516	5.2
Canada	26,439,566	4.7
Denmark	25,452,004	4.6
United States	16,969,700	3.0
India	12,199,297	2.2
Sweden	12,129,321	2.2

# STATEMENT OF INVESTMENTS Unaudited / Continued

## Geographic Holdings (Continued)

	Value	Percent
Australia	\$ 11,152,138	2.0%
Finland	5,817,821	1.0
Thailand	5,166,655	0.9
Ireland	4,545,970	0.8
South Africa	3,748,327	0.7
Belgium	3,730,628	0.7
Total	<b>\$ 556,164,375</b>	<b>100.0%</b>

See accompanying Notes to Financial Statements.



# STATEMENT OF ASSETS AND LIABILITIES June 30, 2017 Unaudited

<b>Assets</b>	
Investments, at value—see accompanying statement of investments:	
Unaffiliated companies (cost \$355,031,297)	\$ 548,316,774
Affiliated companies (cost \$7,847,601)	7,847,601
	<u>556,164,375</u>
Cash	387,653
Cash—foreign currencies (cost \$9)	9
Receivables and other assets:	
Dividends	2,317,474
Investments sold	117,882
Shares of beneficial interest sold	49,578
Other	32,735
Total assets	<u>559,069,706</u>
<b>Liabilities</b>	
Payables and other liabilities:	
Investments purchased	1,965,571
Shares of beneficial interest redeemed	682,689
Foreign capital gains tax	336,779
Distribution and service plan fees	43,850
Trustees' compensation	26,995
Shareholder communications	8,463
Other	25,057
Total liabilities	<u>3,089,404</u>
<b>Net Assets</b>	<u><b>\$ 555,980,302</b></u>
<b>Composition of Net Assets</b>	
Par value of shares of beneficial interest	\$ 231,408
Additional paid-in capital	369,660,489
Accumulated net investment income	2,176,404
Accumulated net realized loss on investments and foreign currency transactions	(9,051,284)
Net unrealized appreciation on investments and translation of assets and liabilities denominated in foreign currencies	192,963,285
<b>Net Assets</b>	<u><b>\$ 555,980,302</b></u>
<b>Net Asset Value Per Share</b>	
Non-Service Shares:	
Net asset value, redemption price per share and offering price per share (based on net assets of \$344,581,687 and 145,704,445 shares of beneficial interest outstanding)	\$2.36
Service Shares:	
Net asset value, redemption price per share and offering price per share (based on net assets of \$211,398,615 and 85,704,031 shares of beneficial interest outstanding)	\$2.47

See accompanying Notes to Financial Statements.

# STATEMENT OF OPERATIONS For the Six Months Ended June 30, 2017 Unaudited

<b>Investment Income</b>	
Dividends:	
Unaffiliated companies (net of foreign withholding taxes of \$736,437)	\$ 7,308,244
Affiliated companies	37,179
Total investment income	7,345,423
<b>Expenses</b>	
Management fees	2,440,672
Distribution and service plan fees - Service shares	242,388
Transfer and shareholder servicing agent fees:	
Non-Service shares	161,062
Service shares	96,987
Shareholder communications:	
Non-Service shares	7,648
Service shares	4,594
Borrowing fees	4,519
Custodian fees and expenses	27,584
Trustees' compensation	9,920
Other	59,912
Total expenses	3,055,286
Less reduction to custodian expenses	(102)
Less waivers and reimbursements of expenses	(227,784)
Net expenses	2,827,400
<b>Net Investment Income</b>	<b>4,518,023</b>
<b>Realized and Unrealized Gain (Loss)</b>	
Net realized gain (loss) on:	
Investment transactions in unaffiliated companies (net of foreign capital gains tax of \$46,251)	(2,297,770)
Foreign currency transactions	15,256
Net realized loss	(2,282,514)
Net change in unrealized appreciation/depreciation on:	
Investment transactions (net of foreign capital gains tax of \$19,480)	71,697,870
Translation of assets and liabilities denominated in foreign currencies	114,582
Net change in unrealized appreciation/depreciation	71,812,452
<b>Net Increase in Net Assets Resulting from Operations</b>	<b>\$ 74,047,961</b>

See accompanying Notes to Financial Statements.

## STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2017 (Unaudited)	Year Ended December 31, 2016
<b>Operations</b>		
Net investment income	\$ 4,518,023	\$ 5,530,716
Net realized loss	(2,282,514)	(21,315)
Net change in unrealized appreciation/depreciation	71,812,452	(15,794,847)
Net increase (decrease) in net assets resulting from operations	74,047,961	(10,285,446)
<b>Dividends and/or Distributions to Shareholders</b>		
Dividends from net investment income:		
Non-Service shares	(4,868,322)	(3,398,644)
Service shares	(2,425,707)	(1,459,515)
	(7,294,029)	(4,858,159)
Distributions from net realized gain:		
Non-Service shares	—	(7,229,895)
Service shares	—	(4,021,530)
	—	(11,251,425)
<b>Beneficial Interest Transactions</b>		
Net increase in net assets resulting from beneficial interest transactions:		
Non-Service shares	1,595,652	788,912
Service shares	10,438,257	15,959,227
	12,033,909	16,748,139
<b>Net Assets</b>		
Total increase (decrease)	78,787,841	(9,646,891)
Beginning of period	477,192,461	486,839,352
End of period (including accumulated net investment income of \$2,176,404 and \$4,952,410, respectively)	<b>\$ 555,980,302</b>	<b>\$ 477,192,461</b>

See accompanying Notes to Financial Statements.

## FINANCIAL HIGHLIGHTS

	Six Months Ended June 30, 2017 (Unaudited)	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
<b>Non-Service Shares</b>						
<b>Per Share Operating Data</b>						
Net asset value, beginning of period	\$2.08	\$2.20	\$2.31	\$2.57	\$2.07	\$1.72
Income (loss) from investment operations:						
Net investment income <sup>1</sup>	0.02	0.03	0.03	0.03	0.03	0.03
Net realized and unrealized gain (loss)	0.29	(0.08)	0.06	(0.21)	0.50	0.35
Total from investment operations	0.31	(0.05)	0.09	(0.18)	0.53	0.38
Dividends and/or distributions to shareholders:						
Dividends from net investment income	(0.03)	(0.02)	(0.03)	(0.03)	(0.03)	(0.03)
Distributions from net realized gain	0.00	(0.05)	(0.17)	(0.05)	0.00	0.00
Total dividends and/or distributions to shareholders	(0.03)	(0.07)	(0.20)	(0.08)	(0.03)	(0.03)
Net asset value, end of period	<b>\$2.36</b>	<b>\$2.08</b>	<b>\$2.20</b>	<b>\$2.31</b>	<b>\$2.57</b>	<b>\$2.07</b>
<b>Total Return, at Net Asset Value<sup>2</sup></b>	<b>15.08%</b>	<b>(2.12)%</b>	<b>3.43%</b>	<b>(7.22)%</b>	<b>25.87%</b>	<b>22.22%</b>
<b>Ratios/Supplemental Data</b>						
Net assets, end of period (in thousands)	\$344,582	\$301,559	\$317,547	\$358,756	\$458,038	\$348,449
Average net assets (in thousands)	\$325,243	\$305,269	\$343,347	\$400,556	\$404,859	\$332,018
Ratios to average net assets: <sup>3</sup>						
Net investment income	1.84%	1.24%	1.08%	1.13%	1.24%	1.68%
Expenses excluding specific expenses listed below	1.09%	1.09%	1.08%	1.07%	1.09%	1.13%
Interest and fees from borrowings	0.00% <sup>4</sup>	0.00% <sup>4</sup>	0.00% <sup>4</sup>	0.00%	0.00%	0.00%
Total expenses <sup>5</sup>	1.09%	1.09%	1.08%	1.07%	1.09%	1.13%
Expenses after payments, waivers and/or reimbursements and reduction to custodian expenses	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Portfolio turnover rate	9%	15%	24%	41%	32%	22%

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

2. 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.

3. Annualized for periods less than one full year.

4. Less than 0.005%.

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

Six Months Ended June 30, 2017	1.09%
Year Ended December 31, 2016	1.09%
Year Ended December 31, 2015	1.08%
Year Ended December 31, 2014	1.07%
Year Ended December 31, 2013	1.09%
Year Ended December 31, 2012	1.13%

See accompanying Notes to Financial Statements.

	Six Months Ended June 30, 2017 (Unaudited)	Year Ended December 31, 2016	Year Ended December 31, 2015	Year Ended December 31, 2014	Year Ended December 31, 2013	Year Ended December 31, 2012
<b>Service Shares</b>						
<b>Per Share Operating Data</b>						
Net asset value, beginning of period	\$2.16	\$2.29	\$2.40	\$2.66	\$2.14	\$1.78
Income (loss) from investment operations:						
Net investment income <sup>1</sup>	0.02	0.02	0.02	0.02	0.02	0.03
Net realized and unrealized gain (loss)	0.32	(0.08)	0.06	(0.21)	0.53	0.35
Total from investment operations	0.34	(0.06)	0.08	(0.19)	0.55	0.38
Dividends and/or distributions to shareholders:						
Dividends from net investment income	(0.03)	(0.02)	(0.02)	(0.02)	(0.03)	(0.02)
Distributions from net realized gain	0.00	(0.05)	(0.17)	(0.05)	0.00	0.00
Total dividends and/or distributions to shareholders	(0.03)	(0.07)	(0.19)	(0.07)	(0.03)	(0.02)
Net asset value, end of period	<b>\$2.47</b>	<b>\$2.16</b>	<b>\$2.29</b>	<b>\$2.40</b>	<b>\$2.66</b>	<b>\$2.14</b>
<b>Total Return, at Net Asset Value<sup>2</sup></b>	15.67%	(2.72)%	3.11%	(7.15)%	25.71%	21.68%
<b>Ratios/Supplemental Data</b>						
Net assets, end of period (in thousands)	\$211,398	\$175,633	\$169,292	\$145,515	\$118,060	\$68,997
Average net assets (in thousands)	\$195,856	\$174,834	\$165,226	\$128,694	\$88,647	\$63,118
Ratios to average net assets: <sup>3</sup>						
Net investment income	1.60%	0.99%	0.79%	0.85%	0.89%	1.43%
Expenses excluding specific expenses listed below	1.34%	1.34%	1.33%	1.32%	1.34%	1.38%
Interest and fees from borrowings	0.00% <sup>4</sup>	0.00% <sup>4</sup>	0.00% <sup>4</sup>	0.00%	0.00%	0.00%
Total expenses <sup>5</sup>	1.34%	1.34%	1.33%	1.32%	1.34%	1.38%
Expenses after payments, waivers and/or reimbursements and reduction to custodian expenses	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
Portfolio turnover rate	9%	15%	24%	41%	32%	22%

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

2. 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.

3. Annualized for periods less than one full year.

4. Less than 0.005%.

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

Six Months Ended June 30, 2017	1.34%
Year Ended December 31, 2016	1.34%
Year Ended December 31, 2015	1.33%
Year Ended December 31, 2014	1.32%
Year Ended December 31, 2013	1.34%
Year Ended December 31, 2012	1.38%

See accompanying Notes to Financial Statements.

## 1. Organization

Oppenheimer International Growth Fund/VA (the "Fund"), is a separate series of Oppenheimer Variable Account Funds, which is registered under the Investment Company Act of 1940 ("1940 Act"), as amended, as a diversified open-end management investment company. The Fund's investment objective is to seek capital appreciation. 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 followed in the Fund's preparation of financial statements in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

## 2. Significant Accounting Policies

**Security Valuation.** All investments in securities are recorded at their estimated fair value, as described in Note 3.

**Foreign Currency Translation.** The books and records of the Fund are maintained in U.S. dollars. Any foreign currency amounts are translated into U.S. dollars on the following basis:

- (1) Value of investment securities, other assets and liabilities — at the exchange rates prevailing at Market Close as described in Note 3.
- (2) Purchases and sales of investment securities, income and expenses — at the rates of exchange prevailing on the respective dates of such transactions.

Although the net assets and the values are presented at the foreign exchange rates at Market Close, the Fund does not isolate the portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in prices of securities held. Such fluctuations are included with the net realized and unrealized gains or losses from investments shown in the Statement of Operations.

For securities, which are subject to foreign withholding tax upon disposition, realized gains or losses on such securities are recorded net of foreign withholding tax.

Reported net realized foreign exchange gains or losses arise from sales of foreign currencies, currency gains or losses realized between the trade and settlement dates on securities transactions, the difference between the amounts of dividends, interest, and foreign withholding tax reclaims recorded on Fund's books, and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities other than investments in securities, resulting from changes in the exchange rate.

**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.

**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. GAAP, 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.

The tax character of distributions is determined as of the Fund's fiscal year end. Therefore, a portion of the Fund's distributions made to shareholders prior to the Fund's fiscal year end may ultimately be categorized as a tax return of capital.

**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 value of the securities received. Withholding taxes on foreign dividends, if any, and capital gains taxes on foreign investments, if any, have been provided for in accordance with the Fund's understanding of the applicable tax rules and regulations. Interest income is recognized on an accrual basis. Discount and premium, which are included in interest income on the Statement of Operations, are amortized or accreted daily.

**Custodian Fees.** "Custodian fees and expenses" in the 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 2.00%. 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

---

## 2. Significant Accounting Policies (Continued)

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.

**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 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 remains open for the three preceding fiscal reporting period ends. The Fund has analyzed its tax positions for the fiscal year ended December 31, 2016, including open tax years, and does not believe there are any uncertain tax positions requiring recognition in the Fund's financial statements.

During the fiscal year ended December 31, 2016, the Fund did not utilize any capital loss carryforward to offset capital gains realized in that fiscal year. Details of the fiscal year ended December 31, 2016 capital loss carryforwards are included in the table below. Capital loss carryforwards with no expiration, if any, must be utilized prior to those with expiration dates. Capital losses with no expiration will be carried forward to future years if not offset by gains.

Expiring		
No expiration	\$	417,148

At period end, it is estimated that the capital loss carryforwards would be \$2,699,662, which will not expire. The estimated capital loss carryforward represents the carryforward as of the end of the last fiscal year, increased or decreased by capital losses or gains realized in the first six months of the current fiscal year. During the reporting period, it is estimated that the Fund will not utilize any capital loss carryforward to offset realized capital gains.

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 are determined in accordance with federal income tax requirements, which may differ from the character of net investment income or net realized gains presented in those financial statements in accordance with U.S. GAAP. 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.

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 at period end 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	\$	367,797,535
Federal tax cost of other investments		9
Total federal tax cost	<u>\$</u>	<u>367,797,544</u>
Gross unrealized appreciation	\$	220,283,873
Gross unrealized depreciation		(32,239,225)
Net unrealized appreciation	<u>\$</u>	<u>188,044,648</u>

Certain foreign countries impose a tax on capital gains which is accrued by the Fund based on unrealized appreciation, if any, on affected securities. The tax is paid when the gain is realized.

**Use of Estimates.** The preparation of financial statements in conformity with U.S. GAAP 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.

**Recent Accounting Pronouncement.** In October 2016, the Securities and Exchange Commission ("SEC") adopted amendments to rules under the Investment Company Act of 1940 ("final rules") intended to modernize the reporting and disclosure of information by registered investment companies. The final rules amend Regulation S-X and require funds to provide standardized, enhanced derivative disclosure in fund financial statements in a format designed for individual investors. The amendments to Regulation S-X also update the disclosures for other investments and investments in, and advances to affiliates and amend the rules regarding the general form and content of fund financial statements. The compliance date for the amendments to Regulation S-X is for reporting periods after August 1, 2017. OFI Global is currently evaluating the amendments and their impact, if any, on the Fund's financial statements.

---

## 3. Securities Valuation

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

### 3. Securities Valuation (Continued)

for trading, except in the case of a scheduled early closing of the Exchange, in which case the Fund will calculate net asset value of the shares as of the scheduled early closing time of the Exchange.

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 primarily using unadjusted quoted market prices, when available, as supplied by third party pricing services or broker-dealers.

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

Equity securities traded on a securities exchange (including exchange-traded derivatives other than futures and futures options) are valued based on the official closing price on the principal exchange on which the security is traded, as identified by the Manager, prior to the time when the Fund's assets are valued. If the official closing price is unavailable, the security is valued at the last sale price on the principal exchange on which it is traded, or if no sales occurred, the security is valued at the mean between the quoted bid and asked prices. Over-the-counter equity securities are valued at the last published sale price, or if no sales occurred, at the mean between the quoted bid and asked prices. Events occurring after the close of trading on foreign exchanges may result in adjustments to the valuation of foreign securities to more accurately reflect their fair value as of the time when the Fund's assets are valued.

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.

Securities for which market quotations are not readily available 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. Those standardized fair valuation 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.

#### 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 may be 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 Fund classifies each of its investments in investment companies which are publicly offered as Level 1. Investment companies that are not publicly offered, if any, are classified as Level 2 in the fair value hierarchy.

The table below categorizes amounts that are included in the Fund's Statement of Assets and Liabilities at period end based on valuation input level:

		Level 1— Unadjusted Quoted Prices	Level 2— Other Significant Observable Inputs	Level 3— Significant Unobservable Inputs	Value
<b>Assets Table</b>					
<b>Investments, at Value:</b>					
Common Stocks					
Consumer Discretionary	\$	16,370,758	\$ 109,597,839	\$ —	125,968,597
Consumer Staples		11,336,579	51,719,320	—	63,055,899
Energy		—	8,609,772	—	8,609,772
Financials		3,404,949	23,153,772	—	26,558,721
Health Care		—	69,730,015	—	69,730,015
Industrials		—	103,686,854	—	103,686,854
Information Technology		—	93,812,731	—	93,812,731
Materials		7,854,328	19,346,643	—	27,200,971



### 3. Securities Valuation (Continued)

	Level 1— Unadjusted Quoted Prices	Level 2— Other Significant Observable Inputs	Level 3— Significant Unobservable Inputs	Value
Common Stocks (Continued)				
Telecommunication Services	\$ —	\$ 29,603,428	\$ —	\$ 29,603,428
Preferred Stock	89,786	—	—	89,786
Investment Company	7,847,601	—	—	7,847,601
Total Assets	\$ 46,904,001	\$ 509,260,374	\$ —	\$ 556,164,375

Forward currency exchange contracts and futures contracts, if any, are reported at their unrealized appreciation/depreciation at measurement date, which represents the change in the contract's value from trade 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 1 and Level 2. The Fund's policy is to recognize transfers in and transfers out as of the beginning of the reporting period.

	Transfers out of Level 1*	Transfers into Level 2*
<b>Assets Table</b>		
<b>Investments, at Value:</b>		
Common Stocks		
Financials	\$ (2,706,840)	\$ 2,706,840
Total Assets	\$ (2,706,840)	\$ 2,706,840

\* Transfers from Level 1 to Level 2 are a result of a change from the use of an exchange traded price to a valuation received from a third-party pricing service or a fair valuation determined based on observable market information other than quoted prices from an active market.

### 4. Investments and Risks

**Risks of Foreign Investing.** The Fund may invest in foreign securities which are subject to special risks. Securities traded in foreign markets may be less liquid and more volatile than those traded in U.S. markets. Foreign issuers are usually not subject to the same accounting and disclosure requirements that U.S. companies are subject to, which may make it difficult for the Fund to evaluate a foreign company's operations or financial condition. A change in the value of a foreign currency against the U.S. dollar will result in a change in the U.S. dollar value of investments denominated in that foreign currency and in the value of any income or distributions the Fund may receive on those investments. The value of foreign investments may be affected by exchange control regulations, foreign taxes, higher transaction and other costs, delays in the settlement of transactions, changes in economic or monetary policy in the United States or abroad, expropriation or nationalization of a company's assets, or other political and economic factors. In addition, due to the inter-relationship of global economies and financial markets, changes in political and economic factors in one country or region could adversely affect conditions in another country or region. Investments in foreign securities may also expose the Fund to time-zone arbitrage risk. Foreign securities may trade on weekends or other days when the Fund does not price its shares. At times, the Fund may emphasize investments in a particular country or region and may be subject to greater risks from adverse events that occur in that country or region. Foreign securities and foreign currencies held in foreign banks and securities depositories may be subject to limited or no regulatory oversight.

**Investments in Affiliated Funds.** The Fund is permitted to invest in other mutual funds advised by the Manager ("Affiliated Funds"). Affiliated Funds are open-end management investment companies registered under the 1940 Act, as amended. The Manager is the investment adviser of, and the Sub-Adviser provides investment and related advisory services to, the Affiliated Funds. When applicable, the Fund's investments in Affiliated Funds are included in the Statement of Investments. Shares of Affiliated Funds are valued at their net asset value per share. As a shareholder, the Fund is subject to its proportional share of the Affiliated 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 Affiliated Funds.

Each of the Affiliated Funds in which the Fund invests 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 Affiliated Fund than in another, the Fund will have greater exposure to the risks of that Affiliated Fund.

**Investments in Oppenheimer Institutional Money Market Fund.** The Fund is permitted to invest its free cash balances in money market instruments to provide liquidity or for defensive purposes. The Fund may invest in money market instruments by investing in Class E shares of Oppenheimer Institutional Government Money Market Fund ("IGMMF"), which is an Affiliated Fund. IGMMF is regulated as a money market fund under the 1940 Act, as amended. The Fund may also invest in money market instruments directly or in other affiliated or unaffiliated money market funds.

**Equity Security Risk.** Stocks and other equity securities fluctuate in price. The value of the Fund's portfolio may be affected by changes in the equity markets generally. Equity markets may experience significant short-term volatility and may fall sharply at times. Different markets may behave differently from each other and U.S. equity markets may move in the opposite direction from one or more foreign stock markets. Adverse events in any part of the equity or fixed-income markets may have unexpected negative effects on other market segments.

The prices of individual equity securities generally do not all move in the same direction at the same time and a variety of factors can affect the price

#### 4. Investments and Risks (Continued)

of a particular company's securities. These factors may include, but are not limited to, poor earnings reports, a loss of customers, litigation against the company, general unfavorable performance of the company's sector or industry, or changes in government regulations affecting the company or its industry.

#### 5. Market Risk Factors

The Fund's investments in securities and/or financial derivatives may expose the Fund to various 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 of debt to meet interest and principal payments, or both, as they come due. In general, lower-grade, higher-yield debt securities are subject to credit risk to a greater extent than lower-yield, higher-quality securities.

**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.

#### 6. 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:

	Six Months Ended June 30, 2017		Year Ended December 31, 2016	
	Shares	Amount	Shares	Amount
<b>Non-Service Shares</b>				
Sold	15,220,647	\$ 34,217,209	22,953,697	\$ 47,962,883
Dividends and/or distributions reinvested	2,045,409	4,868,322	4,989,924	10,628,539
Redeemed	(16,866,759)	(37,489,879)	(27,048,722)	(57,802,510)
Net increase	<b>399,297</b>	<b>\$ 1,595,652</b>	<b>894,899</b>	<b>\$ 788,912</b>
<b>Service Shares</b>				
Sold	11,949,079	\$ 27,884,246	20,232,575	\$ 45,018,434
Dividends and/or distributions reinvested	978,108	2,425,707	2,468,939	5,481,045
Redeemed	(8,472,587)	(19,871,696)	(15,460,315)	(34,540,252)
Net increase	<b>4,454,600</b>	<b>\$ 10,438,257</b>	<b>7,241,199</b>	<b>\$ 15,959,227</b>

#### 7. Purchases and Sales of Securities

The aggregate cost of purchases and proceeds from sales of securities, other than short-term obligations and investments in IGMME, for the reporting period were as follows:

	Purchases	Sales
Investment securities	\$59,457,042	\$47,745,336

#### 8. 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	
Up to \$250 million	1.00%
Next \$250 million	0.90
Next \$500 million	0.85
Over \$1 billion	0.82

The Fund's effective management fee for the reporting period was 0.94% of average annual net assets before any applicable waivers.

---

## 8. Fees and Other Transactions with Affiliates (Continued)

**Sub-Adviser Fees.** The Manager has retained the Sub-Adviser to provide the day-to-day portfolio management of the Fund. Under the Sub-Advisory Agreement, 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 fee paid to the Sub-Adviser is 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. The Fund pays the Transfer Agent a fee based on annual net assets. Fees incurred and average net assets with respect to these services are detailed in the Statement of Operations and Financial Highlights, respectively.

**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.

**Trustees' Compensation.** The Fund's Board of Trustees ("Board") 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 Trustees 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 Trustees. The Fund purchases shares of the funds selected for deferral by the Trustees 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 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.

**Distribution and Service Plan for Service Shares.** The Fund has adopted a Distribution and Service Plan (the "Plan") pursuant to Rule 12b-1 under the 1940 Act 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 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 any applicable dividend expense, taxes, interest and fees from borrowing, any subsidiary expenses, Acquired Fund Fees and Expenses, brokerage commissions, unusual and infrequent expenses and certain other Fund expenses; so that those expenses, as percentages of daily net assets, will not exceed the annual rate of 1.00% for Non-Service shares and 1.25% for Service shares.

During the reporting period, the Manager waived fees and/or reimbursed the Fund as follows:

Non-Service shares	\$	138,019
Service shares		83,522

This fee waiver and/or expense reimbursement may not be amended or withdrawn for one year from the date of the Fund's prospectus, unless approved by the Board.

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 IGMMF. During the reporting period, the Manager waived fees and/or reimbursed the Fund \$6,243 for IGMMF management fees. This fee waiver and/or expense reimbursement may not be amended or withdrawn for one year from the date of the Fund's prospectus, unless approved by the Board.

---

## 9. Borrowings and Other Financing

**Joint Credit Facility.** A number of mutual funds managed by the Manager participate in a \$1.3 billion revolving credit facility (the "Facility") intended to provide short-term financing, if necessary, subject to certain restrictions in connection with atypical redemption activity. Expenses and fees related to the Facility are paid by the participating funds and are disclosed separately or as other expenses on the Statement of Operations. The Fund did not utilize the Facility during the reporting period.

The Fund has adopted Portfolio Proxy Voting Policies and Guidelines 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 Guidelines 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 [www.oppenheimerfunds.com](http://www.oppenheimerfunds.com), and (iii) on the SEC's website at [www.sec.gov](http://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](http://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](http://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.

DISTRIBUTION SOURCES Unaudited

For any distribution that took place over the last six months of the Fund’s reporting period, the table below details on a per-share basis the percentage of the Fund’s total distribution payment amount that was derived from the following sources: net income, net profit from the sale of securities, and other capital sources. Other capital sources represent a return of capital. A return of capital may occur, for example, when some or all of the money that you invested in the Fund is paid back to you. A return of capital distribution does not necessarily reflect the Fund’s investment performance and should not be confused with “yield” or “income.” You should not draw any conclusions about each Fund’s investment performance from the amounts of these distributions. This information is based upon income and capital gains using generally accepted accounting principles as of the date of each distribution. Because the Fund is actively managed, the relative amount of the Fund’s total distributions derived from various sources over the calendar year may change. Please note that this information should not be used for tax reporting purposes as the tax character of distributable income may differ from the amounts used for this notification. You will receive communication in the first quarter of each calendar year detailing the actual amount of the taxable and non-taxable portion of distributions paid to you during the tax year.

**For the most current information, please go to [oppenheimerfunds.com](http://oppenheimerfunds.com). Select your Fund, then the ‘Detailed’ tab; where ‘Dividends’ are shown, the Fund’s latest pay date will be followed by the sources of any distribution, updated daily.**

Fund Name	Pay Date	Net Income	Net Profit from Sale	Other Capital Sources
Oppenheimer International Growth Fund/VA	6/20/17	93.8%	0.0%	6.2%

THIS PAGE INTENTIONALLY LEFT BLANK.

THIS PAGE INTENTIONALLY LEFT BLANK.

# OPPENHEIMER INTERNATIONAL GROWTH FUND/VA

## A Series of Oppenheimer Variable Account Funds

<b>Trustees and Officers</b>	Robert J. Malone, Chairman of the Board of Trustees and Trustee Andrew J. Donohue, Trustee Jon S. Fossel, Trustee Richard F. Grabish, Trustee Beverly L. Hamilton, Trustee Victoria J. Herget, Trustee F. William Marshall, Jr., Trustee Karen L. Stuckey, Trustee James D. Vaughn, Trustee Arthur P. Steinmetz, Trustee, President and Principal Executive Officer George R. Evans, Vice President Robert B. Dunphy, Vice President Cynthia Lo Bessette, Secretary and Chief Legal Officer Jennifer Foxson, Vice President and Chief Business Officer Mary Ann Picciotto, Chief Compliance Officer and Chief Anti-Money Laundering Officer Brian S. Petersen, Treasurer and Principal Financial & Accounting Officer
<b>Manager</b>	OFI Global Asset Management, Inc.
<b>Sub-Adviser</b>	OppenheimerFunds, Inc.
<b>Distributor</b>	OppenheimerFunds Distributor, Inc.
<b>Transfer and Shareholder Servicing Agent</b>	OFI Global Asset Management, Inc.
<b>Sub-Transfer Agent</b>	Shareholder Services, Inc. DBA OppenheimerFunds Services
<b>Independent Registered Public Accounting Firm</b>	KPMG LLP
<b>Legal Counsel</b>	Ropes & Gray LLP

**Before investing in any of the Oppenheimer funds, 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, visiting [oppenheimerfunds.com](http://oppenheimerfunds.com) or calling us at 1.800.988.8287. Read prospectuses and summary prospectuses carefully before investing.**

**The financial statements included herein have been taken from the records of the Fund without examination of those records by the independent registered public accounting firm.**

© 2017 OppenheimerFunds, Inc. All rights reserved. Oppenheimer funds are distributed by OppenheimerFunds Distributor, Inc.



**OppenheimerFunds®**  
The Right Way  
to Invest