Opportunist Fund Commentary

Cavanal Hill Funds (Investor Shares) vs. Benchmark Returns

<table>
<thead>
<tr>
<th></th>
<th>as of March 31, 2019</th>
<th></th>
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<th>Expenses Ratio (gross/net)</th>
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</thead>
<tbody>
<tr>
<td><strong>Opportunistic Fund (9/1/11)</strong></td>
<td>10.86%</td>
<td>-3.43%</td>
<td>2.78%</td>
<td>7.61%</td>
<td>1.88%/1.28%</td>
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<tr>
<td>S&amp;P 500 Index</td>
<td>13.65%</td>
<td>9.50%</td>
<td>10.91%</td>
<td>14.33%</td>
<td></td>
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<tr>
<td>HFRX Equity Hedge Index</td>
<td>5.95%</td>
<td>-5.14%</td>
<td>0.66%</td>
<td>1.69%</td>
<td></td>
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<tr>
<td>Lipper Absolute Return Average† (8/31/11)</td>
<td>3.80%</td>
<td>-0.19%</td>
<td>1.50%</td>
<td>2.04%</td>
<td></td>
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</tbody>
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*Aggregate returns
The returns presented reflect fee waivers that have been in effect during the applicable periods. Without such waivers, the total returns would have been lower. Currently, contractual fee waivers are in effect from December 26, 2018 through December 31, 2019.

The Fund's Investor class returned 10.86% during the quarter, compared with the average return of 3.80% for the 220 funds in Lipper Absolute Return category†. Additionally, the Fund's benchmarks, the S&P 500 Index and the HFRX Equity Hedge Index, returned 13.65% and 5.95% during the period, respectively.

What is the Fund's strategy?
The Fund seeks the best investment opportunities throughout a wide range of categories. We seek undiscovered, neglected, or misunderstood opportunities to generate positive investment returns. Although the Fund has a primary focus on domestic equities, we consider investments across a wide range of asset classes including equities, real estate investment trusts (REITs), master limited partnerships (MLPs), preferred stocks, exchange-traded funds (ETFs), options, bonds, commodities, and money market funds. We will consider foreign and U.S. securities listed on U.S. exchanges. Furthermore, we pursue investment opportunities that we believe offer attractive risk/return profiles or are below intrinsic value.**

We believe attractive investment opportunities often arise from situations in which Wall Street research is either non-existent or inadequate. We rely on our in-depth, bottom-up research and evaluation process to determine whether these securities offer attractive investment opportunities. We modulate the level of exposure to risk assets based on our ability to find attractive investment opportunities. This can result in significant fluctuations of the Fund's net exposure to risk assets over time.**

What factors influenced the Fund’s performance?
The Fund began 2019 positioned more aggressively to take advantage of irrational price movements among numerous stocks that occurred in late December. However, the asset allocation to equities still only totaled approximately 78% to begin the year, including merger arbitrage* positions. The equity market cooperated, delivering the strongest January performance in over 30 years, and yet the Fund outperformed the broader market in the first month.**

The Federal Reserve Board’s (the Fed) change in tone regarding monetary policy was the right medicine in the near term for the market to find a solid footing after a disastrous fourth quarter. Corporate earnings responded positively as well, which was anticipated, but still enough to drive positive market returns through February and March. However, the comparison for growth beginning with first-quarter earnings will become much more difficult because of last year’s tailwind from tax reform.

The Fund's equity holdings still favored cyclically sensitive sectors such as industrials, information technology, and materials. In terms of market capitalization, there was no

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† Each Lipper Mutual Funds average is an equally weighted average of the mutual funds within their respective investment objectives, adjusted for reinvestment of capital gain distributions and income dividends.
‡ Merger Arbitrage opportunities are equities and equity-related instruments of companies engaged in a corporate transition. Many of our investments in this area are in cash-based acquisitions.

** Definitions
S&P 500 Index is regarded as a gauge of the U.S. equities market, this index includes 500 leading companies in leading industries of the U.S. economy. Although the S&P 500 focuses on the large-cap segment of the market, with approximately 75% coverage of U.S. equities, it is also an ideal proxy for the total market. HFRX Equity Hedge Index is an Index created by Hedge Fund Research, Inc. (HFR) within its HFRX Hedge Fund Indices series. HFR utilizes a UCITSIII compliant methodology based on defined and predetermined rules and objective criteria to select and rebalance components to maximize representation of the Hedge Fund Universe. HFRX Indices utilize state-of-the-art quantitative techniques and analysis; multi-level screening, cluster analysis, Monte-Carlo simulations and optimization techniques ensure that each Index is a pure representation of its corresponding investment focus. This volatility is meant to be forward looking, is calculated from both calls and puts, and is a widely used measure of market risk. These indexes are unmanaged and do not reflect the fees and expenses associated with a mutual fund. An investor cannot invest directly in an index.

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The investment return and principal value will fluctuate so that an investor’s shares, when redeemed, may be worth more or less than the original cost. To obtain performance information current to the most recent month end, call 800-762-7085 or visit us at www.cavanalhillfunds.com.
Investment Risks

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lack of liquidity in an ETF could result in higher volatility than that of its underlying portfolio of securities. ETFs also have management fees that increase their costs versus owning the underlying securities directly. MLP investments are equity securities and are subject to the same risks as other equity securities. In addition, risks of investing in an MLP include those inherent in investing in a partnership as opposed to a corporation. For example, state law governing partnerships is often less restrictive than state law governing corporations. Accordingly, there may be less protections afforded investors in an MLP than investors in a corporation. Additional risks involved with investing in an MLP are risks associated with the specific industry or industries in which the partnership invests, such as the risks of investing in the oil and gas industry. Investments in commodities are subject to additional risks. Derivative instruments like options involve risks different from or possibly greater than the risks associated with investing directly in securities. Investments in the Funds are subject to the risks related to direct investment in Real Estate Investment Trusts, such as real estate risk, regulatory risks, concentration risk, and diversification risk. By itself the Fund does not constitute a complete investment plan and should be considered a long-term investment for investors who can afford to weather changes in the value of their investments.

real difference in contribution as small-caps and mega-caps performed in similar strong fashion. As the quarter progressed, the Fund’s equity asset allocation shifted into lower-risk securities, such as preferred stocks, attractive investment-grade corporate debt, U.S. Treasuries, and cash instruments. The average equity security weighting for the quarter was lower, excluding the merger arbitrage positions.

What tools did you use to manage risk?

We use ETFs to hedge the Fund’s long positions and we may use options on indices or ETFs to hedge a portion of the portfolio. We also short stocks or ETFs as a hedge. When opportunities are scarce, we may raise cash to lower our net market exposure. We monitor the Fund’s stock market exposure based on our view of market conditions and investment opportunities. We measure our stock market exposure as being our investment in equities and equity-like instruments less the effect of hedging instruments, such as inverse ETFs or other instruments. Options contracts are not included in this calculation.

Through this modulation, we attempt to minimize the influence of market corrections on the portfolio. We believe our ability to modulate our net exposure to equity markets helps to mitigate losses in a declining market, and we will reduce our equity exposure should conditions deteriorate.

What is your outlook?

The strong start to the year is certainly welcome, but likely unsustainable in the near term. As a result, we pulled back our weightings to risk assets by the end of the quarter in order to weather anticipated market volatility. Our analysis suggests the market will be more greatly tied to earnings growth this year than the past few years. First-quarter earnings growth overall is forecast to be slightly negative, though improving as the year moves forward. The current economic cycle is almost at a record length, and investors should not anticipate being rewarded through a higher market multiple.

Headline risk remains elevated in our opinion, largely coming from Washington-related events. The U.S.-China trade imbroglio continues, as the March deadline for a deal passed without a firm agreement on trade. The lack of an agreement or worsening in relations will be a definitive market negative, but a ‘successful’ agreement could push out the economic expansion a little longer. It is likely that China policy will be affected by the winner of the 2020 presidential election, which is already a focus. With a clear difference in policy direction between the two parties, this may become a greater source of angst for investors in the coming quarters. Europe remains a source of global weakness as well, and a potential Brexit and political turmoil in several countries creates opportunities and risks in international markets. Even so, many regions of the world look very attractive compared to the U.S. based on historical valuations.

In summary, we favor equity securities among risk assets. Quality will be more important, which will likely cause the Fund to favor larger-cap holdings. However, because the Fund has generated attractive returns in the small-cap universe, we will continue to invest in what we consider to be the most attractive stocks in this part of the market. A mix of value and growth stocks will still likely make up portfolio construction, and the Fund will continue to evaluate initial public offerings and merger arbitrage ideas as those opportunities present themselves.

** Portfolio composition is subject to change.

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