

SECOND QUARTER 2022

GOVERNMENT SECURITIES MONEY MARKET FUND | APCXX, APHXX, APSXX
U.S. TREASURY FUND | APGXX, APKXX, APNXX, APJXX

Money Market Fund Commentary

(Government Securities Money Market Fund & U.S. Treasury Fund)



increase to be quickly reflected in portfolio yields. In the Government Securities Money Market Fund, we also maintained an allocation to Secured Overnight Financing Rate (SOFR) floating rate notes, which also quickly reflect interest rate moves.

Why should investors consider investing in this Fund?

Money market funds aims to offer investors stability, where the priorities are capital preservation and income. Now that the FOMC has begun to raise rates, money market returns should quickly become more attractive.

Market Overview

The skies began to clear for the money market fund industry during the quarter as the Federal Open Market Committee (FOMC) began to take back the monetary accommodation triggered by the COVID 19 pandemic in March 2020. On May 4, the FOMC raised the federal funds target rate range 50 basis points to 0.75 - 1.00%. On June 15, it raised that range an additional 75 basis points to 1.50% - 1.75%. The Crane 100 Money Fund Index ended June at 1.18%, up from .02% on December 31, 2021, where it had been for almost two years¹. More interest rate hikes are expected as current inflation expectations far exceed those of only six months ago.

Positioning the Money Market Funds

Portfolio composition is subject to change.

Both of our money market funds had short weighted average maturities (WAM's) going into the current rising rate environment. This allows each interest rate



DISCLOSURES

¹ Crane Data. July 2022. Money Fund Intelligence. Volume 17 Issue 7.

The Crane 100 Money Fund Index measures the 100 largest money market funds.

An investor should consider a fund's investment objectives, risks and charges and expenses carefully before investing or sending money. This and other important information about an investment company can be found in the fund's prospectus. To obtain a Cavanal Hill Funds prospectus or summary prospectus, please call 800-762-7085 or visit us at www.cavanalhillfunds.com. Please read it carefully before investing.

Cavanal Hill Investment Management, Inc. is an SEC registered investment adviser and a wholly-owned subsidiary of BOK Financial Corporation, a financial holding company ("BOKF"). BOKF, NA serves as the custodian for the Cavanal Hill Funds. Cavanal Hill Investment Management, Inc. provides investment advice, administration and other services for the Funds and receives a fee for providing such services as fully described in the prospectus. The Funds are distributed by Cavanal Hill Distributors, Inc. a registered Broker/Dealer, member FINRA and wholly-owned subsidiary of BOKF.

You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

Commentary provided is for the indicated period and is designed to provide a frame of reference. It does not constitute investment advice. Information contained herein has been obtained from sources believed to be reliable, but not guaranteed. The opinions expressed herein reflect the judgment of the authors at this date and are subject to change without notice and are not a complete analysis of any sector, industry or security. This document contains forward-looking statements that are based on management's beliefs, assumptions, current expectations, estimates and projections about the Cavanal Hill Funds, the securities and credit markets and the economy in general. Words such as "anticipates," "believes," "estimates," "expects," "forecasts," "plans," "projects," variations of such words and similar expressions are intended to identify such forward-looking statements. Management judgments relating to and discussion of the value and potential future value or performance of any security, group of securities, type of security or market segment involve judgments as to expected events are inherently forward-looking statements. Management judgments relating to and discussion of the value and potential future value or performance of any security, group of securities, type of security, group of securities, type of security or market segment involve certain risks, uncertainties and assumptions that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Therefore, actual results and outcomes may materially differ from what is expressed, implied, or forecasted in such forward-looking statements. The potential realization of these forward-looking statements is subject to a number of limitations and risks, which are described in the Fund's prospectuses, and investors or potential investors, are cautioned to review the Funds' prospectuses and the description of such risks. Neither the Funds nor the Funds' investment adviser, Cavanal Hill, undertake any obligation to update, amend, or clarify forward-looking statement, whether as a result of new information, future events or otherwise.