

Mid Cap Diverse Leadership Fund Commentary

(Formerly Mid Cap Core Equity Fund)



Market Overview

Equity markets produced positive returns in the second quarter. Large-cap stocks led mid caps, which outperformed small caps. Growth indices also performed better than value ones by a wide margin in the large- and mid-cap space whereas growth and value were about equal in small caps. The technology sector produced large returns, which helped the growth trade. Energy also had a good quarter, but other cyclical areas, including financials and industrials, slowed down. The high-beta (more volatile stocks) trade that was so popular after the COVID-19 vaccine announcements in late 2020 through the first quarter of 2021 also died out as higher quality stocks did better in the second quarter.

Morningstar Star Rating



Overall Morningstar Rating™ out of 357 Mid Cap Blend funds (for the overall period, Institutional Shares)
Morningstar star ratings are based on risk adjusted total returns.

Positioning the Mid Cap Diverse Leadership Fund

Portfolio composition is subject to change.

The Fund is still leaning on some of the cyclical themes, including energy, financials, industrials, and discretionary, as well as technology. From a style perspective, we also tend to hold lower-volatility names and those with higher quality and profitability metrics. In addition, the Fund continues to pursue lower environmental, social and governance (ESG) risk and companies that have displayed more recognition for diverse leadership and strong governance principles.

Why should investors consider investing in this Fund?

The Fund provides exposure to high-quality, mid-cap stocks in a manner that we believe is generally less risky than many of the other funds in the mid-cap peer group (which can hold more small caps and more speculative names). The ESG aspect of the Fund may also appeal to some investors who wish to reduce that risk and invest in companies that are working on issues of fairness with and between employees.



DISCLOSURES

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.

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Investment Risks

Equity securities (stocks) are more volatile and carry more risk than other forms of investments, including investments in high-grade fixed income securities. The value of the Fund's investments may decline due to an increase in interest rates. In general, the longer a security's maturity, the greater the interest rate risk. The Fund's yield may decrease due to a decline in interest rates. International investing involves increased risk and volatility. Mid- and small-cap companies may be more vulnerable to adverse business or economic developments.

The Morningstar Rating for funds or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-ended funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a management product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 25% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star.

The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/50% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

Cavanal Hill Mid Cap Diverse Leadership Fund (formerly Cavanal Hill Mid Cap Core Equity Fund) was rated against the following numbers of mid-cap blend funds over the following time periods: 4 stars against 357 funds over the last three years.

Past performance is no guarantee of future results.

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