Fund Commentary

This commentary addresses the Cavanal Hill Bond Fund, Moderate Duration Fund (formerly named the Intermediate Bond Fund), and Limited Duration Fund (formerly named the Short-Term Income Fund):

<table>
<thead>
<tr>
<th>Cavanal Hill Funds (Investor Shares) vs. Benchmark Returns¹</th>
<th>as of June 30, 2019</th>
<th>1 Year</th>
<th>5 Years</th>
<th>10 Years</th>
<th>Expense Ratio (gross/net)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bond Fund (9/28/90)</td>
<td>2.77%</td>
<td>6.51%</td>
<td>2.11%</td>
<td>4.88%</td>
<td>0.99%/0.76%</td>
</tr>
<tr>
<td>Bloomberg Barclays U.S. Aggregate Bond Index</td>
<td>3.08%</td>
<td>7.87%</td>
<td>2.95%</td>
<td>3.90%</td>
<td></td>
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<tr>
<td>Moderate Duration Fund</td>
<td>1.79%</td>
<td>4.89%</td>
<td>1.75%</td>
<td>5.16%</td>
<td>1.35%/0.74%</td>
</tr>
<tr>
<td>Bloomberg Barclays U.S. Intermediate Aggregate Bond Index</td>
<td>2.39%</td>
<td>6.73%</td>
<td>2.46%</td>
<td>3.34%</td>
<td></td>
</tr>
<tr>
<td>Limited Duration Fund</td>
<td>1.41%</td>
<td>4.08%</td>
<td>1.45%</td>
<td>3.48%</td>
<td>0.99%/0.80%</td>
</tr>
<tr>
<td>ICE BofA Merrill Lynch 1-5 Year U.S. Corporate/Government Index</td>
<td>1.92%</td>
<td>5.37%</td>
<td>1.85%</td>
<td>2.31%</td>
<td></td>
</tr>
</tbody>
</table>

*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.

How did the market's fixed income sectors perform?

First-quarter gross domestic product¹ growth came in at a surprisingly strong 3.1%, while forecasts for the second quarter point to a high 1%/low 2% range. As commodities cooled off in the second quarter, inflation expectations moved back down to the year's lows. The decline in inflation expectations played a large part in forming the Federal Reserve Board's (the Fed) new dovish bias, with a near-term interest rate cut now very likely. Rate markets are currently pricing in two or more rate cuts over the remainder of 2019. As the Fed furthered its dovish tilt and trade-war rhetoric died down, interest rates continued to decline and credit spreads contracted further in the second quarter. This perfect environment for fixed income allowed the Bloomberg Barclays U.S. Aggregate Bond Index¹ to improve upon the strong first quarter, returning 3.08% in the second quarter, for an astounding 6.11% return in the first half of the year. The corporate bond sector was again the star performer, with the corporate¹ portion of the index up 4.48% for the quarter and 9.85% year-to-date. The commercial mortgage-backed securities¹ (CMBS) portion of the index returned 3.28% and the agency MBS¹ and Treasury¹ components returned 1.96% and 3.01%, respectively. Lacking much duration or credit risk, the

¹ Definitions

Gross Domestic Product (GDP) measures the market value of the goods and services produced by labor and property within the respective country/economic region. Bloomberg Barclays U.S. Aggregate Bond Index measures the investment-grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed, agency, and non-agency securities. Bloomberg Barclays U.S. Intermediate Aggregate Bond Index represents securities in the intermediate maturity range from one year up to (but not including) 10 years. The securities in the index are SEC registered, taxable, and dollar denominated. The index covers the U.S. investment-grade fixed bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis. ICE BofA Merrill Lynch 1-5 Year U.S. Corporate/Government Bond Index measures the performance of investment-grade government and corporate debt securities with maturities between one- and five-years. Bloomberg Barclays U.S. Corporate-Investment-Grade Index covers all publicly issued U.S. corporate, non-corporate and specified foreign debentures and secured notes that meet the specified maturity, liquidity, and quality requirements, to qualify, bonds must be SEC-registered. Bloomberg Barclays U.S. Mortgage-Backed Securities Index tracks agency mortgage backed pass-through securities, both fixed-rate and hybrid ARM, guaranteed by Ginnie Mae (GNMA), Fannie Mae (FNMA), and Freddie Mac (FHLMC). Bloomberg Barclays Asset-Backed Securities (ABS) Index measures the ABS component of the Bloomberg Barclays U.S. Aggregate Index. The ABS Index has three subsectors: credit and charge cards, autos and utility. The index includes pass-through, bullet, and collateralized amortization structures. The ABS Index includes only the senior class of each ABS issue and the ERISA-eligible B and C tranche. Bloomberg Barclays U.S. Treasury Index measures the performance of the public obligations of the U.S. Treasury with a remaining maturity of one year or more are non-convertible and are denominated in U.S. dollars. Securities must be rated investment-grade (Baa3/BBB- or higher) by at least two of the following ratings agencies: Moody’s, S&P; and Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. If only one of the three agencies rates a security, the rating must be investment-grade. 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

Fixed income securities are subject to interest rate risks. The principal value of a bond falls when interest rates rise and rise when interest rates fall. During periods of rising interest rates, the value of a bond investment is at greater risk than during periods of stable or falling rates. Short- and intermediate-term investment-grade bonds offer less risk and generally a lower rate of return than longer-term higher yielding bonds. Bond funds will tend to experience smaller fluctuations in value than stock funds. However, investors in any bond fund should anticipate fluctuations in price, especially for longer-term issues and in environments of changing interest rates.

What were your primary investment strategies during the quarter?

We were short duration versus our benchmark in all three funds. We maintained the higher-quality bias versus the benchmark in all three funds as we continued to underweight Baa-rated securities². We also remained underweighted in the corporate sector by a significant margin. Treasury yields fell substantially in the first quarter, so our shorter duration positions were headwinds. The portfolio was underweighted investment-grade, particularly Baa-rated, detracted significantly from quarterly performance as corporates continued their strength, again led by Baa-rated securities.³

How did your strategies influence performance?

The Bond Fund underperformed its index by 31 basis points (0.31%) in the second quarter. Moderate Duration underperformed by 60 basis points (0.60%), and Limited Duration trailed by 51 basis points (0.51%). Though the funds were hurt marginally by their underweight to duration, it was primarily the large outperformance of the corporate market—and our lack of exposure to it—in the second quarter that resulted in our underperformance.**

How do you expect to position your funds in the coming months?

Our belief is that we are late in this economic cycle, so we are going to maintain a higher-quality bias while seeking to maintain significant liquidity. The recent tightening in credit spreads and decline in Treasury rates have made corporates look very expensive, especially when considering that economic prospects have continued to dim while credit is priced back where it was in the summer of 2018. We continue to prefer the credit risk in the non-agency securitized space. Our focus is at the top of the capital structure in these deals. We believe these securities provide superior risk/return characteristics when compared with other credit sectors.**

** Portfolio composition is subject to change.

† Credit-quality ratings are derived from the underlying securities of the portfolio, and are rated by Moody’s. If a rating from Moody’s is unavailable, S&P’s rating is used. If neither Moody’s nor S&P’s ratings are available, Fitch’s rating is used.

Past performance is no guarantee of future results.

An investor should consider a fund’s investment objectives, risk 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.