

Strategic Enhanced Yield Fund Commentary



Why should investors consider investing in this Fund?

Interest rates have moved up significantly and the market has priced in aggressive tightening from the Federal reserve. Higher interest rates along with the spread widening we have witnessed so far this year have greatly improved the yields available in the market. If more restrictive monetary policy weakens the economic outlook, rates have room to fall from current levels, adding the potential for price appreciation to the improved yield levels.

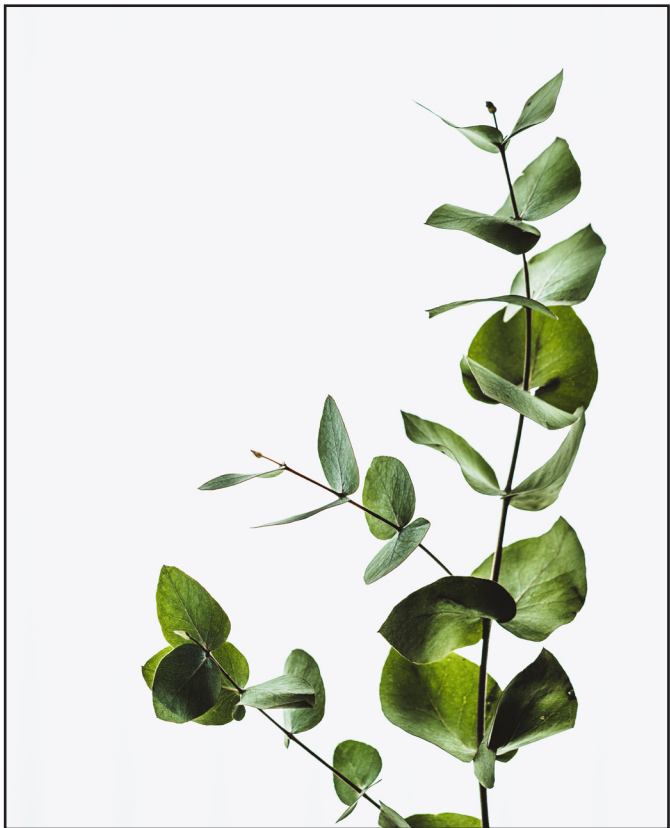
Market Overview

The first quarter provided fixed-income investors with surprises and new challenges: The Russian-Ukraine War added to existing supply chain disruptions, leading to the worst quarterly performance for the asset class since 1980. Although the U.S. economy remains on strong footing, the high rate of inflation has been more persistent than anticipated. This puts pressure on the Federal Reserve to raise its short-term target federal funds rate more aggressively than had been forecast. Current expectations are for the rate to reach 2.25% by year-end 2022 and 3.25% by December 2023.

Positioning the Strategic Enhanced Yield Fund

Portfolio composition is subject to change.

The Fund is well below its benchmark duration. It has a very heavy weighting to the securitized sector, specifically the non-agency mortgage-backed securities and non-agency asset-backed securities markets. The Fund also has a large allocation to the corporate sector. As monetary and fiscal policy become tighter, we favor moving up in quality and liquidity.



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.

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.

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.

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. Bond funds will tend to experience smaller fluctuations in value than stock funds. However, investors in any bond fund should anticipate fluctuations in prices, especially for longer-term issues and in environments of changing interest rates.

Short-term investment-grade bonds offer less risk and generally a lower rate of return than longer-term higher yielding bonds. High-yield bonds, "commonly referred to as junk bonds," have a higher risk of default or other adverse credit events, but have the potential to pay higher earnings over investment-grade bonds. The higher risk of default, or the inability of the creditor to repay its debt, is the primary reason for the higher interest rates on high-yield bonds. International investing involves increased risk and volatility.