Strategic Enhanced Yield Fund Commentary

Market Overview

With inflation readings at historically high levels and employment figures still showing strength, the Federal Reserve has remained consistent with its messaging and actions expressing its desire to bring inflation down. The rapid rise in interest rates continued in the third quarter and the market is now expecting short-term rates to remain relatively high through 2023. These interest rate increases are beginning to affect the rate-sensitive housing sector and the continued slowdown in economic growth has caused credit spreads to widen and risk assets to generally underperform. We believe a backdrop of slowing economic growth, a strong dollar, and moderating inflation should ultimately prove beneficial for high-quality U.S. fixed income assets.

Positioning the Strategic Enhanced Yield Fund

Portfolio composition is subject to change.

The Fund is short of its benchmark duration. It has a heavy weighting to the non-agency mortgage-backed securities and non-agency asset-backed securities markets. The Fund also has a large allocation to the corporate sector. We continue to favor moving higher in quality and liquidity as financial conditions tighten.

Why should investors consider investing in this Fund?

Expected returns are higher than they have been in many years. With economic growth slowing and an aggressive Fed working to bring inflation down, high quality fixed income should be an attractive asset class. This fund's conservative positioning should be beneficial in a more risk-averse economic environment.

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

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.