Commerce MidCap Value Fund

9/30/26

Commerce Funds

TICKER SYMBOL	CUSIP	INCEPTION DATE
CFMVX	200626711	11/13/23

FUND OBJECTIVE

Seeks capital appreciation and, secondarily, current income. The Fund pursues this objective through investment in equity investments of companies that are selling below fair market value compared to their future potential.

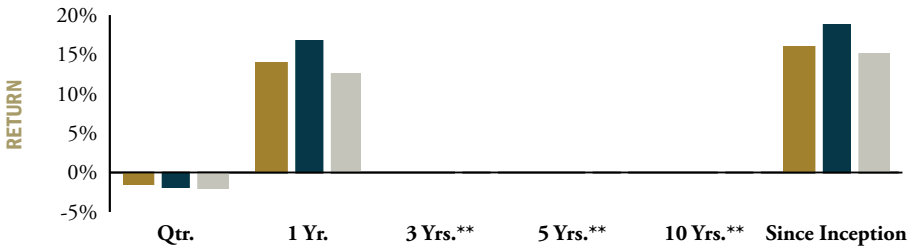
MIDCAP VALUE FUND UPDATE

MidCap Value equities posted modest losses during the third quarter supported by a strong corporate earnings season. Investors continued to favor large companies tied to the AI buildout, and the increased technology weighting within the value index following the June reconstitution helped it participate in that strength. Energy was the top-performing value sector as higher oil prices and rising geopolitical tensions supported the group, while Health Care also contributed. Rising Treasury yields, persistent inflation, and the Federal Reserve's September rate hike weighed on rate-sensitive sectors, with Utilities, Industrials, and Real Estate lagging. The Commerce MidCap Value Fund's return of -1.56% outperformed the Russell Mid Cap Value return of -1.98%.

Stock selection hurt the Fund's performance for the quarter. The Fund's strongest performers were HF Sinclair Corporation (1.81%), Valero Energy Corporation (1.21%), and Marathon Petroleum Corporation (1.24%), returning 55.03%, 49.40%, and 55.09%, respectively. The Fund's top detractors were Corning Inc. (0.00%), not owning Moderna Inc. (0.00%), and Cummins Inc. (1.22%), returning -23.74%, 174.98%, and -27.30%, respectively.

The Fund's sector allocation added to performance for the quarter. The Fund's 1.47% underweight position in the Financials sector added to performance as it was a weaker sector, returning -1.48%. The index had an 17.47% weight in the Financials sector. However, the Fund's .04% underweight position in the Information Technology sector detracted from performance as it was a stronger sector, returning 5.02%. The index had a 16.78% weight in the Information Technology sector.

TOTAL RETURNS (%) AS OF 9/30/26



	Qtr.	1 Yr.	3 Yrs.**	5 Yrs.**	10 Yrs.**	Since Inception
Fund	-1.56	14.06	N/A	N/A	N/A	16.11
Russell Midcap Value Index[2]	-1.98	16.89	N/A	N/A	N/A	18.89
Lipper Mid-Cap Value Funds Category Median[3]	-2.10	12.62	N/A	N/A	N/A	15.23

Lipper Category: Large-Cap Value Funds

***** Returns for periods over one year are annualized. The returns represent past performance. Past performance does not guarantee future results. The Fund's investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance quoted above. To obtain the most recent month-end returns, please visit our website at https://commercefunds.com/fund-information/fund-performance.***

SECTOR DIVERSIFICATION[4] (%)

Sector[7]	Fund	Index*	Sector[7]	Fund	Index*
Communication Services	1.21%	2.48%	Industrials	16.79%	16.39%
Consumer Discretionary	7.19%	7.71%	Information Technology	10.97%	11.29%
Consumer Staples	4.78%	5.60%	Materials	5.97%	6.12%
Energy	7.84%	7.33%	Real Estate	7.22%	7.80%
Financials	15.56%	16.79%	Utilities	7.30%	6.51%
Health Care	10.80%	11.83%	Unassigned	4.37%	0.15%

FINANCIAL INFORMATION

Total Fund Assets	$39,099,067
Net Asset Value[1]	$26.70

EXPENSE RATIO[5]

Current (net)	0.71%
Before Waiver (gross)	1.00%

MANAGER TEAM

The Fund is managed by the Equity Strategy Team, a group of senior-level investment professionals who average 40 years of experience.

ASSET ALLOCATION

Equities	99.2%
Cash	0.8%

PORTFOLIO CHARACTERISTICS

Weighted Avg. Mkt. Capitalization	$43.0 Billion
Price/Earnings Ratio[6]	14.5x
Number of Holdings	80

TOP TEN HOLDINGS[4]

1	iShares Russell Mid-Cap Value	3.5%
2	HF Sinclair Corp	1.8%
3	Cognex Corp	1.3%
4	NetApp Inc	1.3%
5	Pinnacle West Capital Group	1.2%
6	Marathon Petroleum Corp	1.2%
7	Rockwell Automation	1.2%
8	Southern Company	1.2%
9	T Rowe Price Group	1.2%
10	Verisign Inc	1.2%

DIVIDENDS[8]

09.28.26	0.1077

SUBSIDIZED 30-DAY YIELD[7]

30-Day Subsidized Yield	1.71%
30-Day Unsubsidized Gross Yield	1.44%

LIPPER TOTAL RETURN RANKINGS***

Lipper Mid-Cap Value Funds as of 9/30/26

1 Year	41 out of 127
5 Years	N/A
10 Years	N/A

MORNINGSTAR RISK ADJUSTED RATINGS****

Mid-Cap Value Funds Category as of 9/30/26

Overall	N/A
3-Year	N/A
5-Year	N/A
10-Year	N/A

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NOTES

1. *The Net Asset Value represents the assets of the Fund (ex dividend) divided by the total number of shares.*
2. *The Russell Midcap Value Index is an unmanaged index that measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The Index figures do not reflect any deduction for Fees, expenses, or taxes. It is not possible to invest directly in an unmanaged index.*
3. *The Lipper Category 2nd Quartile Total Return Ranking represents the lowest performing fund in the second quartile within the respective Lipper investment category.*
4. *Fund holdings and allocations shown are unaudited, and may not be representative of current or future investments. Fund holdings and allocations may not include the Fund's entire investment portfolio, which may change at any time. Fund holdings should not be relied on in making investment decisions and should not be construed as research or investment advice regarding particular securities. Current and future holdings are subject to risk. Diversification does not protect an investor from market risk and does not ensure a profit.*
5. *The total annual operating expenses of the Funds, both current (net of any fee waivers or expense limitations) and before waivers (gross of any fee waivers or expense limitations), are as set forth above. In the case of the Value, Growth, MidCap Value, Bond, National Tax-Free Intermediate, Missouri Tax-Free Intermediate and Kansas Tax-Free Intermediate Funds, the Adviser has contractually agreed to limit each Fund's total annual operating expenses (excluding interest, taxes and extraordinary expenses) until March 1, 2027. After that date, the Adviser or a Fund may terminate the contractual arrangement. A Fund's total annual operating expenses may increase without shareholder approval. Percentages may not sum to 100% due to rounding.*
6. *The price-earnings ratio (PE Ratio) is the market value per share of a company, divided by its earnings per share (EPS). The PE Ratio is used as a measure of valuation of a company's stock price.*
7. *The method of calculation of the 30-Day Standardized Subsidized Yield is mandated by the Securities Exchange Commission and is determined by dividing the net investment income per share earned during the last 30 days of the period by the maximum public offering price of the Fund ("POP") per share on the last day of the period. This number is then annualized. The 30-Day Standardized Subsidized Yield reflects fee waivers and/or expense reimbursements recorded by the Fund during the period. Without waivers and/or reimbursements, yields would be reduced. This yield does not necessarily reflect income actually earned and distributed by the Fund and, therefore, may not be correlated with the dividends or other distributions paid to shareholders. The 30-Day Standardized Unsubsidized Yield does not adjust for any fee waivers and/or expense reimbursements in effect. If the Fund does not incur any fee waivers and/or expense reimbursements during the period, the 30-Day Standard Subsidized Yield and 30-Day Standardized Unsubsidized Yield will be identical.*
8. *All or a portion of the Fund's distributions may be treated for tax purposes as a return of capital, however, the final characterization of such distributions will be reported annually on Form 1099-DIV. The final tax status of the distributions may differ substantially from the above dividend information.*
9. *The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and S&P Global Market Intelligence ("S&P") and is licensed for use by Goldman Sachs. Neither MSCI, S&P, nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.*

A basis point (bp) is equal to 1/100th of 1%, or 0.01% (0.0001). For example: 1% change = 100 basis points, and 0.01% = 1 basis point.

FOOTNOTES

The Fund is subject to market risk so that the value of the securities in which it invests may go up or down in response to the prospects of individual companies, particular industry sectors and/or general economic conditions.

** Russell Midcap Value Index*

*** **The Total Returns are average annual total returns or cumulative total returns (only if the performance period is one year or less) as of the most recent calendar quarter-end. They are net of expenses and assume reinvestment of all distributions at net asset value. Because the Fund is not subject to a sales charge, such a charge is not applied to their Total Returns.***

**** Lipper Analytical Services, Inc. is an independent publisher of mutual fund rankings, records rankings for these and other Commerce Funds for one-year, three-year, five-year, and ten-year total returns periods. Lipper compares mutual funds within a universe of funds with similar investment objectives, including dividend reinvestment. Lipper rankings are based on total return at net asset value and do not reflect sales charges. Lipper rankings do not imply that the fund had a high total return.*

***** The Morningstar Rating™ is calculated for funds with at least a 3-year history based on a risk-adjusted return measure that accounts for variation in a fund's monthly excess returns. Exchange-traded funds and open-ended mutual funds are considered a single population. In each category, the top 10% = 5 stars, next 22.5% = 4 stars, next 35% = 3 stars, next 22.5% = 2 stars, and bottom 10% = 1 star. Overall rating is derived from a weighted average of the returns associated with its 3-, 5-, and 10-year (if applicable) rating, excluding all sales charges. Weights are based on the # of months of total returns: 100% 3-year rating for 36-59 months, 60% 5-year rating/40% 3-year rating for 60-119 months, and 50% 10-year rating/30% 5-year rating/20% 3-year rating for 120 or more months.* *©2025 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.* ***Past performance does not guarantee future results, which may vary.***

A current Commerce Funds prospectus or additional information regarding The Commerce Funds may be obtained by calling:

1-800-995-6365

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by visiting our website at:

www.commercefunds.com

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or by writing to:

The Commerce Funds
P.O. Box 219525
Kansas City,
MO 64121-9525

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Please consider a fund's objectives, risks and charges and expenses, and read the prospectus carefully before investing. The prospectus contains this and other information about the Fund.

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