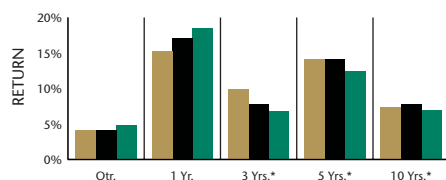


Fund Objective: Seeks capital appreciation The Fund pursues this objective through investment in equity investments of mid-cap issuers that show the potential for above-average growth in earnings.

TOTAL RETURNS (%) AS OF 6/30/17

Inception Date: 12/12/94



	Qtr.	1 Yr.	3 Yrs.*	5 Yrs.*	10 Yrs.*
Fund	4.14	15.23	9.87	14.11	7.45
Russell Midcap Growth Index ²	4.21	17.05	7.83	14.19	7.87
Lipper Category 2nd Quartile Total Return Ranking ³	4.91	18.45	6.85	12.44	6.99

Lipper Category: Mid-Cap Growth 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 www.commercefunds.com/fund_is_SharePerf.shtm.

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.

The Fund invests in mid-capitalization securities. The securities of mid-capitalization companies involve greater risks than those associated with larger, more established companies and may be subject to more abrupt or erratic price movements.

MIDCAP GROWTH FUND UPDATE

U.S. equity markets continued to reach new highs in the 2nd quarter as large cap technology stocks, healthcare stocks, and consumer stocks rallied and reasserted themselves after lagging value stocks during the post-election rally. The Commerce Mid Cap Growth Fund rose 4.14%, underperforming the Russell Mid Cap Growth Index return of 4.35%.

Stock selection detracted from the Fund's relative performance. The Fund's weakest performers for the period were Foot Locker (0.00%), W.W. Grainger (1.30%), and MEDNAX (0.00%) down 31%, 22%, and 18%, respectively. The strongest stocks were Mettler-Toledo International (1.24%), C.R. Bard (0.00%), and IDEX Corporation (1.25%), up 23%, 22% and 21%, respectively.

Sector allocation benefitted the Fund's relative performance. The Fund's 2% underweight to the Retail Trade sector (down 8%) boosted performance. However, the Fund's 4% underweight to the Electronic Technology sector (up 10%) detracted from performance.

During the quarter the Fund increased its position in the Electronic Technology sector from 6.0% to 8.7%, with the purchase of CommScope Holding Co (1.278%) and BWX Technologies (1.26%), reducing the Fund's underweight to the sector. The Fund reduced its position in the Retail Trade sector from 7.3% to 3.8% through the sale of AutoZone Inc. (0.00%) and O'Reilly Automotive, Inc. (0.00), increasing the underweight to the sector.

SECTOR DIVERSIFICATION⁴ (%)

SECTOR	Fund	Index*
Producer Manufacturing	12.26%	8.75%
Commercial Services	7.42%	5.86%
Finance	10.07%	10.57%
Technology Services	14.88%	13.07%
Consumer Services	8.60%	7.45%
Health Technology	8.79%	11.70%
Retail Trade	3.75%	7.24%
Electronic Technology	8.68%	10.62%
Consumer Durables	2.51%	4.92%
Consumer Non-Durables	7.23%	6.51%

SECTOR	Fund	Index*
Other	3.27%	0.02%
Health Services	1.30%	2.20%
Process Industries	6.23%	3.99%
Distribution Services	2.56%	2.96%
Communications	0.00%	0.17%
Transportation	1.21%	1.40%
Energy Minerals	1.24%	0.65%
Industrial Services	0.00%	0.54%
Utilities	0.00%	0.05%
Non-Energy Minerals	0.00%	1.31%

* Russell Midcap Growth Index

FUND FACTS

Ticker Symbol:	CFAGX
CUSIP:	200626505

FINANCIAL INFORMATION

Total Fund Assets	\$138,070,799
Net Asset Value ¹	\$38.21

EXPENSE RATIO⁵

Current (net)	0.88%
Before Waiver (gross)	0.88%

MANAGEMENT TEAM

The Fund is managed by the Equity Strategy Team, a group of senior-level investment professionals who average 31 years of experience.

ASSET ALLOCATION

Equities	99.7%
Cash	0.3%

PORTFOLIO CHARACTERISTICS

Weighted Avg. Mkt. Capitalization	\$11.2 Billion
Price/Earnings Ratio ⁶	27.78x
Number of Holdings	80

TOP TEN HOLDINGS⁴

1. iShares Russell MidCap Growth ETF	3.0%
2. Red Hat, Inc.	1.4%
3. Bio-Techne Corporation	1.3%
4. Crown Holdings	1.3%
5. LifePoint Health Inc.	1.3%
6. W.W. Grainger, Inc.	1.3%
7. Vantiv, Inc.	1.3%
8. Teleflex Incorporated	1.3%
9. CBOE Holdings, Inc.	1.3%
10. Nordson Corporation	1.3%



LIPPER RANKINGS

Lipper Mid-Cap Growth Funds as of 6/30/17

1 Year	310 out of 389
5 Years	82 out of 320 (top 26%)
10 Years	81 out of 229

Lipper Total Return Rankings — 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.

MORNINGSTAR RATINGS

Mid-Cap Growth Funds Category as of 6/30/17

Overall ★★★★★	out of 576 funds
3-Year ★★★★★	out of 576 funds
5-Year ★★★★★	out of 502 funds
10-Year ★★★★★	out of 370 funds

Morningstar Risk-Adjusted Ratings: The Overall Rating is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating Metrics. Morningstar, Inc. is an independent publisher of mutual fund research and ratings. Ratings reflect a fund's risk-adjusted 3-, 5-, and 10-year total returns, including any sales charge. A Fund is rated against all other funds in its category. 5 stars are assigned to the top 10%; 4 stars to the next 22.5%; 3 stars to the next 35%; 2 stars to the next 22.5%; and 1 star to the bottom 10%. Morningstar only rates funds with at least a 3-year history. Past performance is not a guarantee of future results.

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 Growth Index is an unmanaged index that measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher 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, Bond, Short-Term Government, 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, 2018. 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.

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.

Goldman, Sachs & Co. LLC is the distributor of The Commerce Funds.

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

- calling: 1-800-995-6365
- visiting our website at www.commercefunds.com
- or by writing to:

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

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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