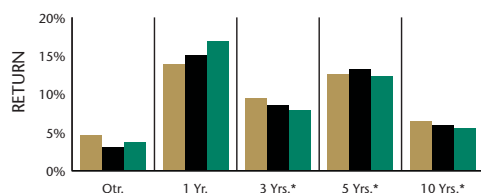


Fund Objective: Seeks capital appreciation and, secondarily, current income. The Fund pursues this objective through investment in equity investments of companies that are selling below fair market value compared to their future potential.

TOTAL RETURNS (%) AS OF 9/30/17

Inception Date: 3/3/97



Period	Fund	Russell 1000 Value Index ²	Lipper Category 2nd Quartile Total Return Ranking ³
Qtr.	4.60	3.11	3.71
1 Yr.	13.90	15.12	16.86
3 Yrs.*	9.43	8.53	7.86
5 Yrs.*	12.59	13.20	12.35
10 Yrs.*	6.44	5.92	5.49

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 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 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.

VALUE FUND UPDATE

Equity markets posted another strong quarter supported by improving earnings. The Commerce Value Fund returned 4.60% outperforming the Russell 1000 Value Index return of 3.11%.

The Fund's stock selection was the main contributor to the outperformance for the quarter. The Fund enjoyed strong security selection in a number of sectors with the top performing stocks being Boeing Company (1.97%), T. Rowe Price Group (2.00%), Ameriprise Financial, Inc. (2.02%) and Caterpillar, Inc. (1.94%) returning 29.33%, 22.98%, 17.33%, and 16.90% respectively. Offsetting some of the strength was poor performance from Tupperware Brands Corporation (1.95%) down -10.96% and Altria Group, Inc. (0.00%) down -16.06%. Altria was down on news of proposed government regulations to limit nicotine levels in tobacco products.

The Fund's overweight allocation to the Electronic Technology and Energy Minerals sectors helped the the Fund's outperformance. However, overweight positions in the Consumer Non-Durables and Commercial Services sectors during the quarter detracted from performance of the Fund.

The Fund maintains a portfolio of 45 stocks with a history of solid earnings and dividends to provide both capital appreciation and current income.

SECTOR DIVERSIFICATION⁴ (%)

SECTOR	Fund	Index*
Finance	25.06%	30.90%
Energy Minerals	9.32%	9.04%
Health Technology	12.06%	11.50%
Utilities	7.38%	6.11%
Producer Manufacturing	3.86%	5.04%
Technology Services	1.93%	2.15%
Electronic Technology	7.77%	6.61%
Communications	6.05%	3.27%
Retail Trade	2.86%	3.64%
Consumer Non-Durables	8.28%	6.29%

SECTOR	Fund	Index*
Process Industries	3.86%	2.51%
Consumer Durables	1.96%	1.78%
Industrial Services	1.85%	2.22%
Consumer Services	1.89%	3.38%
Other	3.97%	0.00%
Distribution Services	0.00%	0.73%
Commercial Services	1.90%	0.64%
Health Services	0.00%	1.98%
Transportation	0.00%	1.32%
Non-Energy Minerals	0.00%	0.89%

* Russell 1000 Value Index

FUND FACTS

Ticker Symbol:	CFVLX
CUSIP:	200626828

FINANCIAL INFORMATION

Total Fund Assets	\$258,157,075
Net Asset Value ¹	\$32.97

EXPENSE RATIO⁵

Current (net)	0.71%
Before Waiver (gross)	0.75%

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	99.6%
Cash	0.4%

PORTFOLIO CHARACTERISTICS

Weighted Avg. Mkt. Capitalization	\$119.15 Billion
Price/Earnings Ratio ⁶	20.9x
Number of Holdings	44

TOP TEN HOLDINGS⁴

1. Chevron Corporation	4.4%
2. AT & T Inc	4.1%
3. Wells Fargo & Company	4.0%
4. J P Morgan Chase & Company	3.9%
5. iShares Russell 1000 Value ETF	3.7%
6. Pfizer Inc	3.3%
7. Johnson & Johnson	3.2%
8. Exxon Mobil Corporation	2.9%
9. Merck & Company Inc	2.8%
10. Amgen Inc	2.7%

DIVIDENDS

9.25.17	0.2166
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SUBSIDIZED 30-DAY YIELD⁷

30-Day Subsidized Yield	2.56%
30-Day Unsubsidized Gross Yield	2.48%



LIPPER RANKINGS

Lipper Large-Cap Value Funds as of 9/30/17

1 Year	406 out of 456
5 Years	149 out of 362
10 Years	57 out of 255 (top 23%)

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

Large Value Funds Category as of 9/30/17

Overall ★★★★★	out of 1108 funds
3-Year ★★★★★	out of 1108 funds
5-Year ★★★	out of 962 funds
10-Year ★★★★★	out of 689 funds

Morningstar Risk-Adjusted Ratings: The Morningstar Rating™ for funds, or “star rating”, is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics, including all sales charges. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. 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 1000 Value Index is an unmanaged market capitalization weighted index of the 1,000 largest U.S. 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, 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.
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.

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.

Please read the prospectus carefully before investing.

Date of first use: October 30, 2017. 109965-OTU-10/2017