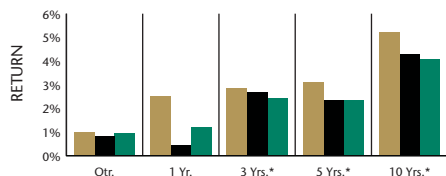


COMMERCE FUNDS: Commerce Bond Fund – 3/31/17

Fund Objective: Seeks total return through current income and, secondarily, capital appreciation. The Fund pursues this objective through investment in a diversified portfolio of investment-grade corporate debt obligations and obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities.

TOTAL RETURNS (%) AS OF 3/31/17 Inception Date: 12/12/94



Period	Fund	Barclays U.S. Aggregate Bond Index ³	Lipper Category 2nd Quartile Total Return Ranking ⁴
Qtr.	0.98	0.82	0.93
1 Yr.	2.52	0.44	1.20
3 Yrs.*	2.84	2.68	2.42
5 Yrs.*	3.10	2.34	2.36
10 Yrs.*	5.21	4.27	4.07

Lipper Category: Core Bond 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.

Investments in fixed income securities are subject to the risks associated with debt securities including credit and interest rate risk. The guarantee on U.S. government securities applies only to the underlying securities of the Fund if held to maturity and not to the value of the Fund's shares. Mortgage-backed securities are subject to prepayment risks, which may result in greater share price volatility. Asset-backed securities may be less liquid than other securities and therefore more difficult to value and liquidate, if necessary. Foreign investments may be more volatile than investment in U.S. securities and will be subject to the risks of currency fluctuations and political developments.

BOND FUND UPDATE

The slow pace of United States economic growth continued with fourth quarter Gross Domestic Product (GDP) rising 2.1%. Low productivity and little capital investment seem to be restricting this second longest recovery in American history from reaching the historical full year growth rate average of 3.0%. GDP appears to be around 1.0% in the first quarter despite healthy consumer spending. We feel that further improvement to 3.0% in the second quarter of 2017 is expected, fueled by a rise in inventories and utilities consumption.

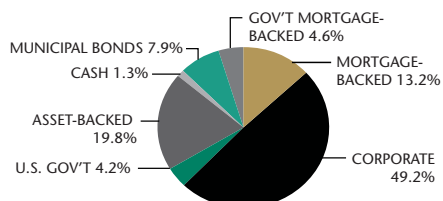
In March, the Federal Reserve (Fed) hiked short term interest rates as inflation and job growth were in line with current expectations. The quarter-point hike pushed the Fed Funds target range to between 0.75% and 1.00%. The Fed has signaled that it is ready to raise interest rates several more times this year.

During the past three months, US Treasury rates were mixed across the yield curve with shorter maturities (1 to 3 year) reporting higher yields and intermediate to long maturities' yields flat to lower yields. The 10-year Treasury yield finished at 2.39%, after starting the quarter at 2.44%. Returns were positive across all major investment grade bond sectors for the quarter, with corporate bonds performing the best.

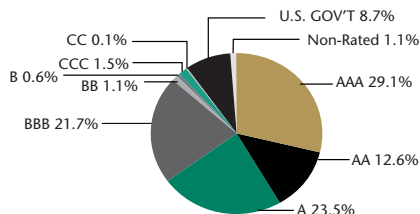
The Bond Fund outperformed (0.98%) relative to the Bloomberg Barclays Aggregate Bond Index (0.82%) in the first quarter. With credit spreads tightening during the period, the Fund's overweight in the corporate sector contributed to performance. The Fund's overweight in asset-backed securities detracted from performance.

The bond market has recently been reacting to events in Washington. Steady employment growth remains in place, inflation continues to be subdued, and interest rates are still low.

SECURITY TYPE⁵ (%)



CREDIT RATING⁵ (%)



FUND FACTS

Ticker Symbol:	CFBNX
CUSIP:	200626208

FINANCIAL INFORMATION

Total Fund Assets	\$1,006,509,351
Net Asset Value ¹	\$19.80

EXPENSE RATIO⁶

Current (net)	0.67%
Before Waiver (gross)	0.67%

MANAGER PROFILE

Scott Colbert, CFA
• Joined Commerce in 1993
• 30 years of experience
• Fund manager since Fund Inception

PORTFOLIO CHARACTERISTICS

Effective Duration ²	5.62 Yrs.
Number of Holdings	440

MATURITY DISTRIBUTION⁵

0-2 Years	14.1%
2-3 Years	12.0%
3-5 Years	25.3%
5-7 Years	15.5%
7-10 Years	11.4%
10-20 Years	9.1%
20+ Years	12.7%

STANDARDIZED 30-DAY YIELD⁷

30-Day Yield	2.75%
30-Day Gross Yield	2.75%



LIPPER RANKINGS

Lipper Core Bond Funds as of 3/31/17

1 Year	76 out of 500 (top 16%)
5 Years	47 out of 391 (top 12%)
10 Years	9 out of 292 (top 4%)

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

Intermediate-Term Bond Funds Category as of 3/31/17

Overall ★★★★★	out of 851 funds
3-Year ★★★★★	out of 851 funds
5-Year ★★★★★	out of 750 funds
10-Year ★★★★★	out of 538 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. Duration is the method of determining a bond's price sensitivity, given changes in interest rates.
3. The Barclays U.S. Aggregate Index is an unmanaged index comprised of the Barclays Government/ Corporate Bond Index, Mortgage-Backed Securities Index and Asset-Backed Securities Index. The Index figures do not reflect any deduction for fees, expenses or taxes. It is not possible to invest directly in an unmanaged index.
4. The Lipper Category 2nd Quartile Total Return Ranking represents the lowest performing fund in the second quartile within the respective Lipper investment category.
5. 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.

This fund has not been rated by an independent rating agency. Commerce may receive credit quality ratings on the Fund's underlying securities from at least one of three major rating agencies - S&P, Moody's and Fitch. The underlying security may be unrated but deemed by Commerce to be of comparable quality. Commerce develops the credit quality breakdown by taking the highest rating if more than one agency rates a security. Commerce will use a single rating if that is the only one available. Securities that are not rated by the agency are reflected as such in the breakdown. Commerce converts all ratings to the equivalent S&P major rating category when illustrating the Fund's credit rating breakdown. Ratings and portfolio credit quality may change over time. Unrated securities do not necessarily indicate low quality, and for such securities the investment adviser will evaluate the credit quality.

Non-Rated (NR) includes holdings of securities not rated by any major rating agency. Unrated securities held in the fund may be of higher, lower, or comparable credit quality to securities that have a credit rating from a Nationally Recognized Statistical Rating Organization (NRSRO). Therefore, investors should not assume that the unrated securities in the fund increase or decrease the fund's overall credit quality. Percentages may not sum to 100% due to rounding.

6. 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.
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. 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. is the distributor of The Commerce Funds.

Economic and market forecasts presented herein reflect our judgment as of the date of this presentation and are subject to change without notice. These forecasts do not take into account the specific investment objectives, restrictions, tax and financial situation or other needs of any specific client. Actual data will vary and may not be reflected here. These forecasts are subject to high levels of uncertainty that may affect actual performance. Accordingly, these forecasts should be viewed as merely representative of a broad range of possible outcomes. These forecasts are estimated, based on assumptions, and are subject to significant revision and may change materially as economic and market conditions change. Commerce has no obligation to provide updates or changes to these forecasts. Case studies and examples are for illustrative purposes only.

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.

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