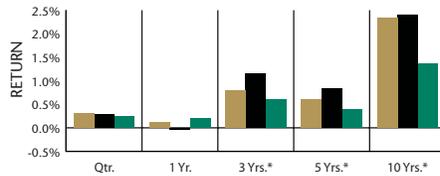


COMMERCE FUNDS: Commerce Short-Term Government Fund – 9/30/17

Fund Objective: Seeks current income consistent with preservation of principal. The Fund pursues this objective primarily through investment in short-term obligations issued or guaranteed by the U.S. government, its agencies or instrumentalities.

TOTAL RETURNS (%) AS OF 9/30/17 Inception Date: 12/12/94



Period	Fund	Citigroup 1-5 Yr. Treasury/Gov't Sponsored Index ³	Lipper Category 2nd Quartile Total Return Ranking ⁴
Qtr.	0.31	0.29	0.24
1 Yr.	0.11	-0.03	0.21
3 Yrs.*	0.80	1.15	0.61
5 Yrs.*	0.61	0.83	0.40
10 Yrs.*	2.34	2.39	1.37

Lipper Category: Short U.S. Government 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. These risks may result in greater share price volatility.

SHORT TERM GOVERNMENT FUND UPDATE

U.S. economic growth started to pick up some momentum in the second quarter, with Gross Domestic Product (GDP) growth reported at 3.1%, the highest since 2015. Consumer spending and business investment contributed to the improvement. We believe that hurricane disruptions will distort third quarter economic growth, with early estimates at 2.4%. We feel the near-term effects on economic data following Hurricanes Harvey, Irma and Maria are not expected to have a lasting impact.

In September, the Federal Reserve (Fed) officially announced the start of its balance-sheet unwinding plans. Fed Chair Janet Yellen continued to indicate her expectations for a gradual increase in the fed funds rate. No change to the fed funds rate was made at the September Federal Open Market Committee (FOMC) meeting. However, we believe as long as inflation remains stable or rising a December rate hike is likely.

Treasury yields were higher across the short-end of the yield curve for the third quarter. The 5-year Treasury yield finished at 1.94%, after starting the quarter at 1.89%. Returns were positive for all the government sectors in the third quarter.

The Short-Term Government Fund 0.31% exceeded the performance of the Citigroup 1-5 Year Treasury/Government Index 0.29% for the third quarter. The portfolio's lower duration relative to its benchmark contributed to performance. Lowering the portfolio's mortgage-backed securities exposure detracted from performance.

We believe economic data will feel the impact of the Hurricanes in the third and fourth quarter. Obtaining a correct read on economic growth will be challenging, but we believe any dip in GDP growth is expected to be followed by a rebound.

FUND FACTS	
Ticker Symbol:	CFSTX
CUSIP:	200626109

FINANCIAL INFORMATION	
Total Fund Assets	\$98,006,586
Net Asset Value ¹	\$17.13

EXPENSE RATIO ⁶	
Current (net)	0.68%
Before Waiver (gross)	0.88%

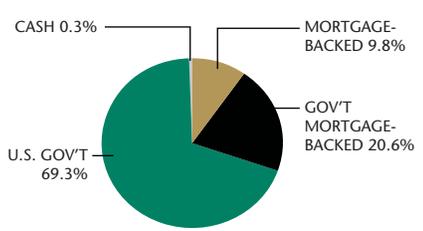
MANAGER PROFILE	
Scott Colbert, CFA	
<ul style="list-style-type: none"> Joined Commerce in 1993 30 years of experience Fund manager since Fund inception 	

PORTFOLIO CHARACTERISTICS	
Effective Duration ²	2.33 Yrs.
Number of Holdings	145

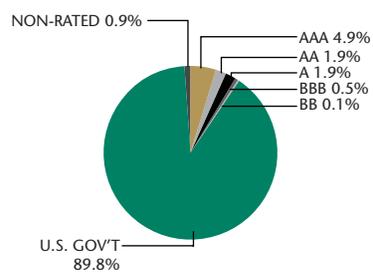
MATURITY DISTRIBUTION ⁵	
0-2 Years	34.2%
2-3 Years	20.4%
3-5 Years	37.8%
5-7 Years	5.3%
7-10 Years	1.3%
10-20 Years	1.0%
20+ Years	0.0%

SUBSIDIZED 30-DAY YIELD ⁷	
30-Day Subsidized Yield	1.21%
30-Day Unsubsidized Gross Yield	0.99%

SECURITY TYPE⁵ (%)



CREDIT RATING⁵ (%)





LIPPER RANKINGS

Lipper Short U.S. Government Funds
as of 9/30/17

1 Year	49 out of 79
5 Years	15 out of 69 (top 22%)
10 Years	5 out of 56 (top 9%)

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

Short Government Funds Category as
of 9/30/17

Overall ★★★★★	out of 104 funds
3-Year ★★★	out of 104 funds
5-Year ★★★★★	out of 94 funds
10-Year ★★★★★	out of 72 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. Duration is the method of determining a bond’s price sensitivity, given changes in interest rates.
3. The Citigroup Treasury/Government Sponsored 1-5 Year Index, formerly known as the Salomon Brothers 1-5 Year Treasury/Government Sponsored Index, is an unmanaged index comprised of Treasury securities with a minimum principal amount of \$1 billion and U.S. Government Securities with a minimum principal amount of \$100 million. The securities range in maturity from one to five years. The Index figures do not reflect any deduction for fees, taxes or expenses. 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.

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.

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.

Date of first use: October 30, 2017. 109964-OTU-10/2017