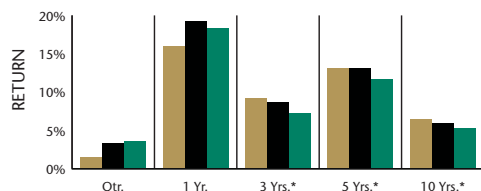


Fund Objective: Seeks capital appreciation and, secondarily, current income. The Fund pursues this objective through investment in equity investments of companies that are selling below fair market value compared to their future potential.

TOTAL RETURNS (%) AS OF 3/31/17

Inception Date: 3/3/97



	Qtr.	1 Yr.	3 Yrs.*	5 Yrs.*	10 Yrs.*
■ Fund	1.51	16.00	9.16	13.06	6.43
■ Russell 1000 Value Index ²	3.27	19.22	8.67	13.13	5.93
■ Lipper Category 2nd Quartile Total Return Ranking ³	3.63	18.36	7.29	11.70	5.33

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

In the first quarter of 2017 we saw a continuation of the stock market rally after President Trump's win, and withstood the Federal Reserve (Fed) tightening monetary policy by raising short term interest rates in March. For the Quarter the Commerce Value Fund returned 1.51% trailing the Russell 1000 Value Index return of 3.27%.

The Fund's security selection had the largest negative impact on the Fund's underperformance. The top detractor of performance was from the Retail Trade sector with Target Corporation (0.00%), Macy's Inc. (1.54%), and Kohl's Corporation (1.28%) returning -23.12%, -16.22%, and -18.25%, respectively. The Finance sector also detracted from performance with Kimco Realty Corporation (1.94%), and Weingarten Realty Investors (0.00%) returning -12.2%, and -10.84%, respectively. Strong performance from HP Inc. (2.01%), and Tupperware Brands Corporation (1.95%) helped offset some of the underperformance of the Fund returning 21.14% and 20.53%.

Our underweight positions in the Energy Minerals, Finance and Industrial Services sectors, helped the Fund to offset some of the security selection underperformance. Although, overweight positions in Retail Trade and Communications detracted performance.

The Fund continues to maintain a portfolio of around 45 stocks that are quality companies with attractive valuations and dividend yields providing both capital appreciation and current income.

SECTOR DIVERSIFICATION⁴ (%)

SECTOR	Fund	Index*
Finance	24.94%	30.94%
Energy Minerals	9.76%	9.51%
Health Technology	8.72%	9.42%
Utilities	6.99%	6.19%
Producer Manufacturing	7.36%	5.92%
Technology Services	5.78%	2.65%
Electronic Technology	7.84%	8.01%
Communications	5.81%	3.74%
Retail Trade	2.83%	2.80%
Consumer Non-Durables	5.76%	6.67%

SECTOR	Fund	Index*
Process Industries	3.91%	2.53%
Consumer Durables	1.96%	1.45%
Industrial Services	4.04%	3.14%
Consumer Services	1.94%	1.62%
Other	2.36%	0.00%
Distribution Services	0.00%	0.22%
Commercial Services	0.00%	0.67%
Health Services	0.00%	1.38%
Transportation	0.00%	2.21%
Non-Energy Minerals	0.00%	0.93%

* Russell 1000 Value Index

FUND FACTS

Ticker Symbol:	CFVLX
CUSIP:	200626828

FINANCIAL INFORMATION

Total Fund Assets	\$282,717,205
Net Asset Value ¹	\$31.92

EXPENSE RATIO⁵

Current (net)	0.72%
Before Waiver (gross)	0.71%

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	99.3%
Cash	0.7%

PORTFOLIO CHARACTERISTICS

Weighted Avg. Mkt. Capitalization	\$130.84 Billion
Price/Earnings Ratio ⁶	19.3x
Number of Holdings	45

TOP TEN HOLDINGS⁴

1. Chevron Corporation	4.4%
2. Wells Fargo & Company	3.9%
3. A T & T Inc	3.9%
4. General Electric Company	3.4%
5. J P Morgan Chase & Company	3.4%
6. Exxon Mobil Corporation	3.4%
7. Merck & Company Inc	2.9%
8. Pfizer Inc	2.9%
9. Johnson & Johnson	2.9%
10. iShares Russell 1000 Value	2.0%

DIVIDENDS

3.27.17	0.2066
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STANDARDIZED 30-DAY YIELD⁷

30-Day Yield	2.50%
30-Day Gross Yield	2.49%



LIPPER RANKINGS

Lipper Large-Cap Value Funds as of 3/31/17

1 Year	386 out of 475
5 Years	41 out of 364 (top 12%)
10 Years	51 out of 253 (top 21%)

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 3/31/17

Overall ★★★★★	out of 1084 funds
3-Year ★★★★★	out of 1084 funds
5-Year ★★★★★	out of 936 funds
10-Year ★★★★★	out of 679 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 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.
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.

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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