

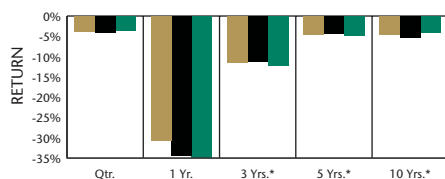


# COMMERCE FUNDS: Commerce Growth Fund – 3/31/09

**Fund Objective:** Seeks capital appreciation. The Fund pursues this objective through investment in equity securities of companies with the potential for above-average growth in earnings.

## TOTAL RETURNS (%) AS OF 3/31/09

Inception Date: 12/12/94



	Qtr.	1 Yr.	3 Yrs.*	5 Yrs.*	10 Yrs.*
Institutional Shares	-3.78	-30.81	-11.39	-4.48	-4.58
Russell 1000 Growth Index <sup>2</sup>	-4.12	-34.28	-11.27	-4.38	-5.26
Lipper Category 2nd Quartile Total Return Ranking <sup>3</sup>	-3.64	-34.91	-12.13	-4.89	-3.93

Lipper Category: Large-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](http://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 Institutional Shares do not involve 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.

## GROWTH FUND UPDATE

Stock prices continued their downward spiral in the first quarter of 2009. With the economy slipping into a deep recession, earnings from U. S. corporations have been under severe downward pressure. Growth stocks actually held up fairly well relative to value issues. The Fund outperformed the benchmark returning -3.78% versus -4.11% for the Russell 1000 Growth Index.

Leading the outperformance for growth stocks was technology, posting positive returns for the quarter. The Fund has over 32% invested in technology related stocks and we increased our exposure by 4%, mainly in technology services, with the addition of BMC Software Inc. (0.84%) and SOHU.com Inc. (0.81%). Fund performance was hurt by large declines in sectors heavily exposed to the international economic slowdown. Our overexposure to commercial services, industrial services and producer manufacturing were a drag on returns. In the producer manufacturing sector Emerson Electric Co. (0.87%) and United Technologies Corp. (2.05%) declined 25% and 22% in the quarter.

Even with gloomy economic reports retailers had a strong rebound after a dismal 2008. Three of the five best performers in the quarter were retailers Big Lots Inc. (0.72%), Amazon.com Inc. (2.43%) and TJX Cos. Inc. (1.09%) up 43%, 35% and 19%, respectively.

## SECTOR DIVERSIFICATION<sup>4</sup> (%)

SECTOR	Fund	Index*
Technology Services	17.04%	14.25%
Health Technology	15.86%	11.81%
Electronic Technology	15.36%	17.31%
Retail Trade	7.56%	7.68%
Consumer Non-Durables	6.80%	9.99%
Producer Manufacturing	6.74%	5.53%
Energy Minerals	6.22%	5.13%
Finance	4.97%	4.12%
Consumer Services	4.94%	5.32%
Health Services	3.29%	2.06%

SECTOR	Fund	Index*
Industrial Services	2.70%	4.07%
Process Industries	2.55%	3.17%
Distribution Services	2.49%	1.09%
Commercial Services	1.83%	1.03%
Other	1.01%	0.51%
Transportation	0.64%	2.68%
Consumer Durables	0.00%	0.52%
Communications	0.00%	0.80%
Non-Energy Minerals	0.00%	1.11%
Utilities	0.00%	1.82%

\* Russell 1000 Growth Index

## FUND FACTS

Ticker Symbol:	CFGRX
CUSIP:	200626406

## FINANCIAL INFORMATION

Total Fund Assets	\$95,351,961
Net Asset Value <sup>1</sup>	\$16.78

## EXPENSE RATIO<sup>5</sup>

Current (net)	1.11%
Before Waiver (gross)	1.11%

## MANAGER PROFILE

Joseph C. Williams III, CFA
• Joined Commerce in 1975
• 32 years of experience
• Fund manager since Fund inception

## MORNINGSTAR STYLE BOX

Value	Blend	Growth	Large
			Med
			Small

## ASSET ALLOCATION

Equities	97.9%
Cash	2.1%

## PORTFOLIO CHARACTERISTICS

Avg. Mkt. Capitalization	\$58.1 Billion
Price/Earnings Ratio <sup>6</sup>	12.0x
Number of Holdings	71

## TOP TEN HOLDINGS<sup>4</sup>

1. International Business Machines	4.0%
2. Microsoft Corp.	3.8%
3. Cisco Systems Inc.	3.1%
4. Exxon Mobil Corp.	2.9%
5. Oracle Corp.	2.9%
6. Gilead Sciences Inc.	2.7%
7. Monsanto Co.	2.5%
8. Amazon.com Inc.	2.4%
9. Occidental Petroleum Corp.	2.4%
10. Johnson & Johnson	2.3%

**COMMERCE FUNDS: Commerce Growth Fund** — Page 2**LIPPER RANKINGS — Institutional***Lipper Large-Cap Growth Funds as of 3/31/09*

1 Year	96 out of 791 (top 13%)
5 Years	243 out of 565
10 Years	173 out of 285

**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 — Institutional***Large Growth Funds Category as of 3/31/09*

Overall ★★★	out of 1491 funds
3-Year ★★★★★	out of 1491 funds
5-Year ★★★	out of 1229 funds
10-Year ★★★	out of 615 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 Growth Index is an unmanaged index that measures the performance of those Russell 1000 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. The returns are net of expenses and do not take into account sales charges.
4. Holdings and allocations shown are unaudited, and may not be representative of current or future investments. 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.
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 Growth, 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 October 31, 2009. In the case of the Value and Bond Funds, the Adviser has voluntarily agreed to limit the total annual operating expenses (excluding interest, taxes and extraordinary expenses) of the Funds and reserves the right to discontinue the expense reimbursement at any time. A Fund's total annual operating expenses may increase without shareholder approval.
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.

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](http://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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