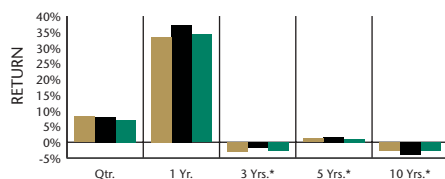


**Fund Objective:** Seeks capital appreciation. The Fund pursues this objective through investment in equity securities of companies with the potential for above-average growth in earnings.

## TOTAL RETURNS (%) AS OF 12/31/09

Inception Date: 12/12/94



Period	Fund	Russell 1000 Growth Index <sup>2</sup>	Lipper Category 2nd Quartile Total Return Ranking <sup>3</sup>
Qtr.	8.13	7.94	7.06
1 Yr.	33.36	37.21	34.21
3 Yrs.*	-3.07	-1.88	-2.69
5 Yrs.*	1.14	1.63	0.97
10 Yrs.*	-2.55	-3.98	-2.80

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 the Fund is not subject to 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

Growth stocks extended their positive returns to three quarters after the poor start in the first quarter of 2009. The Growth Fund outperformed its benchmark returning 8.13% versus 7.94% for the Russell 1000 Growth Index ("Index").

In the quarter, electronic technology and technology services were strong sectors rising 11.41% versus the 7.94% gain for the Index. The Fund has a 39.8% exposure to technology and is 6% overweighted to the Index. Marvell Technology Group Ltd. (1.64%) was the strongest performer rising 39% in the technology sector. Not just the smaller technology companies did well but Microsoft Corp. (4.84%), Google Inc. (3.94%) and Oracle Corp (1.55%) all rose 20% or more.

Stock selection in the finance sector hurt performance with Northern Trust Corp. (1.01%) declining 8% as well as in the producer manufacturing sector where Crown Holdings Inc. (0.54%) declined 11%. While the consumer has been portrayed as over leveraged and some say spending will not rebound as much as in past recessions, two of the Fund's best performing stocks were Amazon Inc. (0.38%) and Panera Bread Co. (0.95%) which rose 48% and 25% respectively.

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

SECTOR	Fund	Index*
Electronic Technology	20.48%	17.33%
Technology Services	19.31%	15.87%
Consumer Non-Durables	11.86%	12.23%
Health Technology	10.79%	13.42%
Finance	5.45%	5.93%
Retail Trade	5.40%	8.38%
Consumer Services	5.25%	3.92%
Producer Manufacturing	4.97%	5.29%
Process Industries	3.92%	3.02%
Energy Minerals	3.77%	2.81%

SECTOR	Fund	Index*
Health Services	2.87%	2.14%
Industrial Services	1.45%	2.15%
Non-Energy Minerals	1.44%	1.11%
Distribution Services	1.36%	0.95%
Utilities	0.92%	0.91%
Transportation	0.49%	1.85%
Commercial Services	0.27%	1.36%
Other	0.00%	0.08%
Consumer Durables	0.00%	0.64%
Communications	0.00%	0.61%

\* Russell 1000 Growth Index

## FUND FACTS

Ticker Symbol:	CFGRX
CUSIP:	200626406

## FINANCIAL INFORMATION

Total Fund Assets	\$116,814,740
Net Asset Value <sup>1</sup>	\$23.15

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

		●	Large
			Med
			Small
Value	Blend	Growth	

## ASSET ALLOCATION

Equities	0.2%
Cash	99.8%

## PORTFOLIO CHARACTERISTICS

Avg. Mkt. Capitalization	\$54.6 Billion
Price/Earnings Ratio <sup>6</sup>	17.4x
Number of Holdings	76

TOP TEN HOLDINGS<sup>4</sup>

1. Microsoft Corp.	4.8%
2. International Business Machines Corp.	4.5%
3. Google Inc.	3.9%
4. Cisco Systems Inc.	3.3%
5. Apple Inc.	3.3%
6. Hewlett-Packard Co.	3.1%
7. Oracle Corp.	3.0%
8. PepsiCo, Inc.	2.9%
9. United Technologies Corp.	2.6%
10. Texas Instruments Inc.	2.1%



## LIPPER RANKINGS

Lipper Large-Cap Growth Funds as of 12/31/09

1 Year	466 out of 810
5 Years	253 out of 579
10 Years	133 out of 310

**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 Growth Funds Category as of 12/31/09

Overall ★★★	out of 1548 funds
3-Year ★★★	out of 1548 funds
5-Year ★★★★★	out of 1276 funds
10-Year ★★★	out of 698 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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