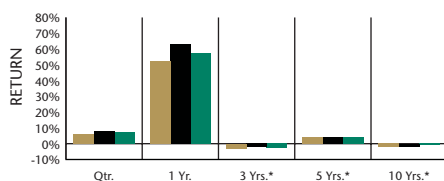


Fund Objective: Seeks capital appreciation. The Fund pursues this objective through investment in equity investments of mid-cap issuers that show the potential for above-average growth in earnings.

TOTAL RETURNS (%) AS OF 3/31/10

Inception Date: 12/12/94



	Qtr.	1 Yr.	3 Yrs.*	5 Yrs.*	10 Yrs.*
■ Fund	6.21	51.99	-3.08	4.10	-2.12
■ Russell Midcap Growth Index ²	7.67	63.00	-2.04	4.27	-1.68
■ Lipper Category 2nd Quartile Total Return Ranking ³	7.05	57.36	-2.56	3.81	-0.69

Lipper Category: Mid-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.

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.

MIDCAP GROWTH FUND UPDATE

Unlike 2009, MidCap growth stocks got off to a good start in the first quarter of 2010. This marks their fourth consecutive quarter of positive performance. The MidCap Growth Fund returned 6.21% versus 7.67% for the Russell Midcap Growth Index.

For the quarter, consumer services and non-durables were the strongest, returning nearly 13%. The Fund had 13.5% exposure to this group compared to the Index at 13.9%. Stock selection in this group was beneficial to the Fund's performance in the quarter. Holdings such as Smithfield Foods Inc. (1.05%) and Chipotle Mexican Grill Inc. (1.60%) increased 36% and 28%, respectively.

While investors rewarded consumer-oriented names in the first quarter, they were less supportive of utilities. The Fund's 0.7% underweight to utilities was beneficial as the sector declined 6.23%. Also underperforming the Index were energy-related stocks. The Fund was underweight this group but stock selection had a negative impact. The poorest performers were Dresser-Rand Group Inc. (1.32%) and CONSOL Energy Inc. (0.84%), down 4% and 19%, respectively.

Surprisingly, health care was the second best performing sector, up 11.68%, despite uncertainty regarding health care legislation. The Fund experienced poor stock selection in this sector, returning 7.66%. Among the laggards were DENTSPLY International Inc. (1.00%), Cerner Corp. (1.63%), and Laboratory Corp. (1.54%), returning a decline of 1% to an increase of 1%.

SECTOR DIVERSIFICATION⁴ (%)

SECTOR	Fund	Index*
Electronic Technology	13.60%	15.02%
Technology Services	12.28%	9.71%
Retail Trade	9.30%	8.00%
Health Technology	9.14%	9.67%
Finance	7.91%	8.11%
Consumer Services	7.08%	5.80%
Consumer Non-Durables	6.40%	8.07%
Producer Manufacturing	6.23%	4.63%
Process Industries	5.80%	4.23%
Health Services	4.93%	3.74%

SECTOR	Fund	Index*
Commercial Services	4.69%	4.09%
Industrial Services	2.89%	4.77%
Consumer Durables	2.41%	1.98%
Utilities	2.06%	2.80%
Energy Minerals	1.54%	2.86%
Communications	1.49%	1.07%
Distribution Services	1.22%	1.93%
Transportation	1.03%	3.00%
Non-Energy Minerals	0.00%	0.50%
Other	0.00%	0.02%

* Russell Midcap Growth Index

FUND FACTS

Ticker Symbol:	CFAGX
CUSIP:	200626505

FINANCIAL INFORMATION

Total Fund Assets	\$53,601,707
Net Asset Value ¹	\$28.20

EXPENSE RATIO⁵

Current (net)	1.34%
Before Waiver (gross)	1.34%

MANAGEMENT TEAM

The Fund is managed by the Equity Strategy Team, a group of senior-level investment professionals who average 24 years of experience.

MORNINGSTAR STYLE BOX

			Large
		●	Med
			Small
Value	Blend	Growth	

ASSET ALLOCATION

Equities	2.7%
Cash	97.3%

PORTFOLIO CHARACTERISTICS

Avg. Mkt. Capitalization	\$4.2 Billion
Price/Earnings Ratio ⁶	18.9x
Number of Holdings	105

TOP TEN HOLDINGS⁴

1. TJX Cos.	2.1%
2. T. Rowe Price Group Inc.	2.0%
3. C.R. Bard Inc.	1.9%
4. Cerner Corp.	1.8%
5. Linear Technology Corp.	1.8%
6. BMC Software Inc.	1.7%
7. Crown Holdings Inc.	1.7%
8. Laboratory Corp. of America	1.7%
9. Chipotle Mexican Grill Inc.	1.7%
10. Marriott International Inc.	1.6%



LIPPER RANKINGS

Lipper Mid-Cap Growth Funds as of 3/31/10

1 Year	302 out of 425
5 Years	144 out of 321
10 Years	118 out of 173

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

Mid-Cap Growth Funds Category as of 3/31/10

Overall ★★★	out of 702 funds
3-Year ★★★	out of 702 funds
5-Year ★★★	out of 609 funds
10-Year ★★★	out of 341 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 MidCap Growth Index is an unmanaged index that measures the performance of those Russell Midcap 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, 2010. 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
- 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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