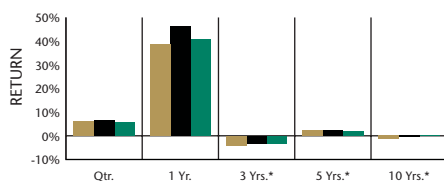


Fund Objective: Seeks capital appreciation. The Fund pursues this objective through investment in equity investments of mid-cap issuers that show the potential for above-average growth in earnings.

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

Inception Date: 12/12/94



	Qtr.	1 Yr.	3 Yrs.*	5 Yrs.*	10 Yrs.*
■ Fund	6.22	38.62	-4.14	2.43	-1.39
■ Russell Midcap Growth Index ²	6.69	46.29	-3.18	2.40	-0.52
■ Lipper Category 2nd Quartile Total Return Ranking ³	5.82	40.85	-3.16	1.92	-0.16

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

Mid cap growth stocks extended their positive returns to three quarters after the poor start in the first quarter of 2009. The MidCap Growth Fund returned 6.22% versus 6.69% for the Russell 1000 Midcap Growth Index ("Index").

In the quarter, electronic technology and technology services were strong rising 11.23% versus the 6.69% gain for the Index. The Fund had a 27.6% exposure to technology and was 2% overweighted the Index. Stock selection in the technology group hurt performance in the quarter as several holdings declined. Sohu.com Inc. (1.01%) and Commscope Inc. (0.55%) declined 13% and 6%, respectively.

While the future of health care is up in the air, the health care sector rose 7.44%. Stock selection was a positive for Fund performance with Varian Medical Systems Inc. (0.89%) gaining 15% in the quarter. While the consumer has been portrayed as over leveraged and some say spending will not rebound as much as in past recessions, some of the Fund's best performing stocks were Priceline.com Inc. (0.71%), Wyndham Worldwide Corp. (0.58%) and Nordstrom Inc. (1.13%) increasing 28% to 35%.

SECTOR DIVERSIFICATION⁴ (%)

SECTOR	Fund	Index*
Electronic Technology	15.28%	15.28%
Technology Services	12.36%	9.90%
Retail Trade	10.02%	7.53%
Health Technology	8.95%	8.94%
Consumer Non-Durables	6.92%	8.26%
Finance	6.75%	8.21%
Process Industries	6.43%	4.18%
Consumer Services	6.37%	5.74%
Producer Manufacturing	5.39%	4.47%
Commercial Services	4.65%	4.27%

SECTOR	Fund	Index*
Health Services	3.03%	4.00%
Industrial Services	2.67%	4.66%
Utilities	2.46%	3.03%
Consumer Durables	2.27%	2.15%
Energy Minerals	2.10%	2.80%
Communications	1.51%	1.12%
Distribution Services	1.21%	1.89%
Transportation	1.00%	2.95%
Non-Energy Minerals	0.63%	0.52%
Other	0.00%	0.10%

* Russell Midcap Growth Index

FUND FACTS

Ticker Symbol:	CFAGX
CUSIP:	200626505

FINANCIAL INFORMATION

Total Fund Assets	\$52,712,749
Net Asset Value ¹	\$26.55

EXPENSE RATIO⁵

Current (net)	1.22%
Before Waiver (gross)	1.22%

MANAGEMENT TEAM

This Fund is managed by the Equity Strategy Team, a group of senior-level investment professionals who average 23 years of experience.

MORNINGSTAR STYLE BOX

			Large
		●	Med
			Small
Value	Blend	Growth	

ASSET ALLOCATION

Equities	98.8%
Cash	1.2%

PORTFOLIO CHARACTERISTICS

Avg. Mkt. Capitalization	\$4.2 Billion
Price/Earnings Ratio ⁶	17.4x
Number of Holdings	119

TOP TEN HOLDINGS⁴

1. T. Rowe Price Group Inc.	1.9%
2. Linear Technology Corp.	1.8%
3. BMC Software Inc.	1.7%
4. TJX Cos. Inc.	1.7%
5. C.R. Bard Inc.	1.7%
6. Cerner Corp.	1.6%
7. Marvell Technology Group Ltd.	1.5%
8. Coca-Cola Enterprises Inc.	1.5%
9. CenturyTel Inc.	1.5%
10. McAfee Inc.	1.5%



LIPPER RANKINGS

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

1 Year	295 out of 474
5 Years	142 out of 353
10 Years	115 out of 178

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 12/31/09

Overall ★★★	out of 727 funds
3-Year ★★★	out of 727 funds
5-Year ★★★	out of 631 funds
10-Year ★★★	out of 338 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, 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
- 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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