

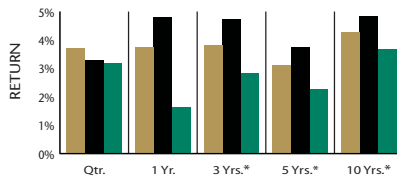


COMMERCE FUNDS: National Tax-Free Intermediate Bond Fund – 3/31/09

Fund Objective: Seeks current income exempt from federal income tax consistent with the preservation of capital. The Fund pursues this objective through investment in municipal securities exempt from regular federal income tax and federal alternative minimum taxes.

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

Inception Date: 2/21/95



Period	Institutional Shares	Barclays Capital 3-15 Year Blend Index ³	Lipper Category 2nd Quartile Total Return Ranking ⁴
Qtr.	3.70	3.29	3.18
1 Yr.	3.74	4.81	1.65
3 Yrs.*	3.81	4.74	2.85
5 Yrs.*	3.11	3.74	2.28
10 Yrs.*	4.27	4.84	3.67

Lipper Category: Intermediate Municipal Debt 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 Institutional Shares do not involve a sales charge, such a charge is not applied to their Total Returns.

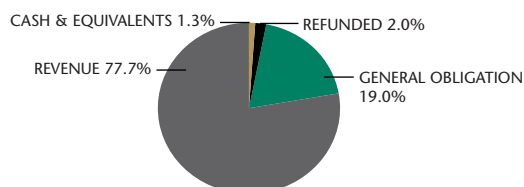
Investments in fixed-income securities are subject to the risks associated with debt securities including credit and interest rate risk. When interest rates rise, the prices of bonds and therefore the value of the fixed income mutual fund shares can decrease and an investor can lose principal value. The Fund is non-diversified. Due to the smaller number of bonds generally held in the portfolio, the Fund may be subject to greater risks than a more diversified fund. A change in the value of any single holding may affect the overall value more than it would affect a diversified fund that holds more investments. In addition, the Fund's investments may subject shareholders to federal alternative minimum tax. The investment income from this Fund may be subject to state income taxes.

NATIONAL TAX-FREE INTERMEDIATE BOND FUND UPDATE

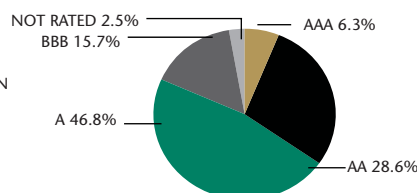
Hoping to put the turbulent year of 2008 behind us, the first quarter of 2009 was positive for performance in the municipal bond market ("munis"). Across the entire yield curve, munis were higher in value and lower in yield by anywhere from 20 to 40 basis points. Overall the curve continues to be very steep, especially on the short end. We have seen a decent level of liquidity return to the municipal market, which was a driver in bringing lower yielding bonds. As was the case in 2008, market participants are still in the process of weighing the value added by the monoline insurers. At this point only a handful of the insurers are writing new business, and it is our contention to avoid new issues with insurance as we feel the premium paid for the insurance is not worth the price. In the fourth quarter of 2008 we saw a dramatic change in the relationship between munis and US treasury yields. That relationship continued into the beginning of 2009. As of the end of the 1st quarter, AAA GO munis had a higher nominal yield than US treasuries across the curve. On the long end, this relationship was inverted by over 100 basis points for a 30 year bond. The highest quality municipal borrower was paying tax-free interest rates at higher levels than where the U.S. Government could borrow in the treasury market. Given this relationship, we believe municipals can present exceptional relative value continuing into 2009.

For the first quarter, the Fund outperformed its benchmark, the Barclays Capital 3-15 Year Blend Index, and its peers as measured by the Lipper Intermediate Municipal Debt Funds Category 2nd Quartile Total Return Ranking. Our overweight to higher yielding revenue bonds remained a drag on performance, particularly against our benchmark, while a higher concentration in bonds in the best performing maturity range, 10-15 years, helped to offset. As additional yield offered on lower-rated credits increases, we will look for opportunities to increase our exposure in that space.

SECURITY TYPE⁵ (%)



CREDIT RATING⁵ (%)



FUND FACTS

Ticker Symbol:	CFNLX
CUSIP:	200626703

FINANCIAL INFORMATION

Total Fund Assets	\$157,902,729
Net Asset Value ¹	\$18.55

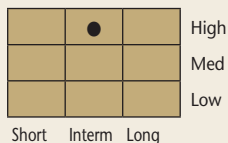
EXPENSE RATIO⁶

Current (net)	0.70%
Before Waiver (gross)	0.82%

MANAGER PROFILE

Brian P. Musielak, CFA	
• Joined Commerce in 1995	
• 14 years of experience	
• Fund manager since 1999	

MORNINGSTAR STYLE BOX



PORTFOLIO CHARACTERISTICS

Effective Duration ²	6.62
Number of Holdings	207

MATURITY DISTRIBUTION⁵

Less than 2 Years	10.8%
2-5 Years	18.7%
6-11 Years	39.4%
12-17 Years	24.2%
17+ Years	6.9%

**COMMERCE FUNDS: National Tax-Free Intermediate Bond Fund** — Page 2**LIPPER RANKINGS — Institutional***Lipper Intermediate Municipal Debt Funds as of 3/31/09*

1 Year	22 out of 72 (top 14%)
5 Years	10 out of 62 (top 8%)
10 Years	9 out of 52 (top 12%)

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*Muni National Intermediate Funds Category as of 3/31/09*

Overall ★★★★★	out of 235 fund
3-Year ★★★★★	out of 235 funds
5-Year ★★★★★	out of 213 funds
10-Year ★★★★★	out of 131 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. Duration is the method of determining a bond's price sensitivity, given changes in interest rates.
3. The Barclays Capital 3-15 Year Blend Index is an unmanaged index comprised of investment-grade municipal securities ranging from 1 to 17 years in maturity. The Index figures do not reflect any deduction for fees, expenses or taxes. It is not possible to invest directly in an unmanaged index.
4. 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.
5. 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.
6. 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.

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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Date of first use: April 23, 2009. 21605.MF.OTU