

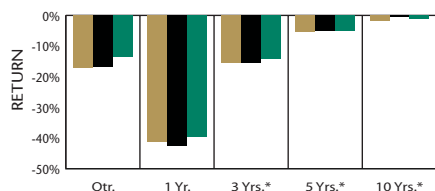


# COMMERCE FUNDS: Commerce Value Fund – 3/31/09

**Fund Objective:** Seeks capital appreciation and, secondarily, current income. The Fund pursues this objective through investment in equity investments of companies that are selling below fair market value compared to their future potential.

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

**Inception Date: 3/3/97**



	Qtr.	1 Yr.	3 Yrs.*	5 Yrs.*	10 Yrs.*
Institutional Shares	-17.10	-41.13	-15.45	-5.38	-1.77
Russell 1000 Value Index <sup>2</sup>	-16.77	-42.42	-15.39	-4.93	-0.62
Lipper Category 2nd Quartile Total Return Ranking <sup>3</sup>	-13.37	-39.52	-14.28	-5.07	-1.01

**Lipper Category:** Large-Cap Value 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 is subject to market risk so that the value of the securities in which it invests may go up or down in response to the prospects of individual companies, particular industry sectors and/or general economic conditions.

## VALUE FUND UPDATE

The market meltdown carried into the first quarter of 2009, only showing signs of reversing the decline in the final three weeks of the quarter. The Russell 1000 Value Index was down more than 30% for the quarter before rallying back to close at -16.77% for the quarter. The Value Fund was -17.10% for the quarter, underperforming the return of the Russell 1000 Value Index by 0.33%.

The Fund's underweight position in finance and overweight in electronic technology and technology services both added to Fund performance for the quarter. The Fund's underweight position in utilities and modest overweight in producer manufacturing detracted slightly from the performance mentioned above. Overall, the Fund continues to maintain modest sector bets and we made no substantial changes to the sector weights for the quarter.

Security selection detracted from the Fund's performance for the first quarter and was responsible for the Fund lagging the benchmark. Procter & Gamble Co. (3.01%) and Constellation Brands Inc. (0.32%) in the consumer non-durables sector along with Cablevision Systems Corp. (0.45%) and News Corp. (0.23%) in the consumer services sector were among the largest detractors for the quarter. A portion of the Fund's fourth quarter outperformance in the finance sector was erased in the first quarter with poor showings by Wells Fargo & Co. (1.40%), U.S. Bancorp (0.81%) and Bank of America Corp. (0.88%). Strong performance from Reliance Steel & Aluminum Co. (0.25%) and Freeport McMoRan Copper & Gold (0.53%) in the non-energy minerals sector helped offset some of the underperformance.

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

SECTOR	Fund	Index*
Finance	19.49%	20.60%
Energy Minerals	16.75%	16.73%
Health Technology	13.53%	12.11%
Communications	8.16%	7.19%
Consumer Non-Durables	7.35%	7.39%
Producer Manufacturing	6.16%	5.15%
Utilities	5.93%	7.29%
Electronic Technology	4.09%	3.12%
Consumer Services	3.35%	3.75%
Process Industries	3.34%	2.71%

SECTOR	Fund	Index*
Retail Trade	3.11%	4.62%
Technology Services	2.90%	0.92%
Health Services	1.45%	1.57%
Non-Energy Minerals	1.16%	1.23%
Commercial Services	1.12%	0.66%
Other	1.08%	1.06%
Industrial Services	0.71%	0.94%
Transportation	0.32%	1.01%
Consumer Durables	0.00%	1.35%
Distribution Services	0.00%	0.60%

\* Russell 1000 Value Index

### FUND FACTS

Ticker Symbol:	CFVLX
CUSIP:	200626828

### FINANCIAL INFORMATION

Total Fund Assets	\$58,010,241
Net Asset Value <sup>1</sup>	\$12.89

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

Current (net)	1.14%
Before Waiver (gross)	1.14%

### 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	98.0%
Cash	2.0%

### PORTFOLIO CHARACTERISTICS

Avg. Mkt. Capitalization	\$73.3 Billion
Price/Earnings Ratio <sup>6</sup>	8.7x
Number of Holdings	155

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

1. Exxon Mobil Corp.	6.9%
2. Chevron Corp.	4.4%
3. A T & T Inc.	4.0%
4. Johnson and Johnson	3.2%
5. Procter and Gamble Co.	3.0%
6. General Electric Co.	2.9%
7. Verizon Communications	2.7%
8. Pfizer Inc.	2.7%
9. J P Morgan Chase & Co.	2.7%
10. ConocoPhillips	1.5%

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

1 Year	399 out of 589
5 Years	232 out of 415
10 Years	129 out of 190

**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 Value Funds Category as of 3/31/09*

Overall ★★★	out of 1192 funds
3-Year ★★★	out of 1192 funds
5-Year ★★★	out of 964 funds
10-Year ★★	out of 459 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 Value Index is an unmanaged market capitalization weighted index of the 1,000 largest U.S. companies with lower price-to-book ratios and lower 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.**

**Please read the prospectus carefully before investing.**

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