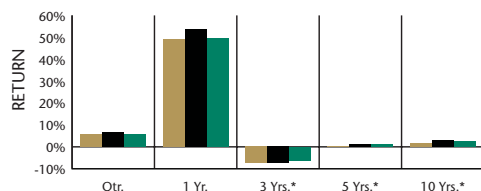


Fund Objective: Seeks capital appreciation and, secondarily, current income. The Fund pursues this objective through investment in equity investments of companies that are selling below fair market value compared to their future potential.

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

Inception Date: 3/3/97



PERIOD	Fund	Russell 1000 Value Index ²	Lipper Category 2nd Quartile Total Return Ranking ³
Qtr.	5.50	6.78	5.81
1 Yr.	48.97	53.56	49.43
3 Yrs.*	-7.42	-7.32	-6.18
5 Yrs.*	0.44	1.05	0.94
10 Yrs.*	1.65	3.10	2.68

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.

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 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 first quarter of 2010 brought with it continued strength in U.S. equity markets amid continuing indications of a global economic recovery. The Value Fund returned 5.50% for the quarter, underperforming the Russell 1000 Value Index return of 6.78% by 128 basis points.

The Fund maintains modest sector bets and this continued to be the case during the first quarter with little impact on Fund returns from sector weightings.

Security selection was the primary driver behind the Fund's underperformance during the quarter. Poor performance from Morgan Stanley (0.82%), Blackrock Inc. (0.34%) and Allied World Assurance Co. (0.52%) all in the finance sector, which was one of the strongest sectors during the quarter, was the biggest detractor from Fund returns. Stock selection in the energy minerals sector also hit Fund returns with poor performance from Devon Energy Corp. (0.80%), Chesapeake Energy Corp. (0.37%), Chevron Corp. (3.29%) and Exxon Mobil Corp. (5.04%). Security selection in both consumer services and industrial services also detracted from Fund returns during the first quarter.

One sector that stood out with solid security selection during the quarter was the consumer non-durables sector. Food companies such as Tyson Foods Inc. (0.49%), Kraft Foods Inc. (0.74%), Smithfield Foods Inc. (0.37%) and Sara Lee Corp. (0.30%) were all strong performers for the Fund during the quarter.

SECTOR DIVERSIFICATION⁴ (%)

SECTOR	Fund	Index*	SECTOR	Fund	Index*
Finance	24.18%	25.49%	Non-Energy Minerals	2.60%	1.56%
Energy Minerals	14.35%	14.95%	Retail Trade	2.42%	3.26%
Producer Manufacturing	7.83%	6.54%	Industrial Services	2.12%	3.21%
Consumer Non-Durables	6.27%	4.43%	Other	1.91%	0.11%
Consumer Services	6.12%	6.03%	Technology Services	1.59%	0.59%
Health Technology	5.91%	6.54%	Consumer Durables	1.47%	1.90%
Communications	5.67%	5.15%	Transportation	1.34%	1.74%
Utilities	4.99%	6.90%	Health Services	0.86%	1.93%
Electronic Technology	4.71%	5.66%	Commercial Services	0.80%	0.41%
Process Industries	4.10%	2.90%	Distribution Services	0.76%	0.70%

* Russell 1000 Value Index

FUND FACTS

Ticker Symbol:	CFVLX
CUSIP:	200626828

FINANCIAL INFORMATION

Total Fund Assets	\$64,499,738
Net Asset Value ¹	\$18.93

EXPENSE RATIO⁵

Current (net)	1.20%
Before Waiver (gross)	1.22%

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	98.8%
Cash	1.2%

PORTFOLIO CHARACTERISTICS

Avg. Mkt. Capitalization	\$55.5 Billion
Price/Earnings Ratio ⁶	15.0x
Number of Holdings	151

TOP TEN HOLDINGS⁴

1. Exxon Mobil Corp.	5.0%
2. General Electric Co.	3.4%
3. Chevron Corp.	3.3%
4. J P Morgan Chase & Co.	3.1%
5. A T & T Inc.	3.0%
6. Bank of America Corp.	3.0%
7. Pfizer Inc.	2.7%
8. Wells Fargo & Co.	2.3%
9. Verizon Communications	2.0%
10. Procter & Gamble Co.	1.6%



LIPPER RANKINGS

Lipper Large-Cap Value Funds as of 3/31/10

1 Year	294 out of 542
5 Years	267 out of 420
10 Years	139 out of 196

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 Value Funds Category as of 3/31/10

Overall ★★★	out of 1120 funds
3-Year ★★★	out of 1120 funds
5-Year ★★★	out of 941 funds
10-Year ★★	out of 476 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, 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.

Please read the prospectus carefully before investing.

Date of first use: May 3, 2010. 35373.MF.OTU