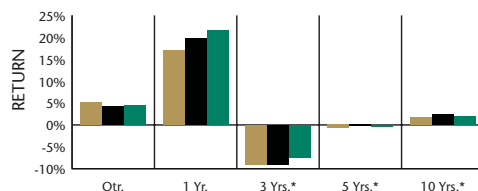


Fund Objective: Seeks capital appreciation and, secondarily, current income. The Fund pursues this objective through investment in equity investments of companies that are selling below fair market value compared to their future potential.

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

Inception Date: 3/3/97



	Qtr.	1 Yr.	3 Yrs.*	5 Yrs.*	10 Yrs.*
■ Fund	5.16	17.05	-9.09	-0.70	1.78
■ Russell 1000 Value Index ²	4.22	19.69	-8.95	-0.25	2.47
■ Lipper Category 2nd Quartile Total Return Ranking ³	4.53	21.56	-7.49	-0.27	1.90

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 fourth quarter of 2009 marked the third consecutive quarter of positive returns for equity markets. These positive results were brought on by continued progress towards a global economic recovery. The Value Fund returned 5.16% during the fourth quarter which outperformed the Russell 1000 Value Index return of 4.22% by 0.95%.

The Fund continues to maintain modest sector bets and during the fourth quarter only one sector bet had any meaningful impact on Fund performance. The Fund's 2.37% underweight of the finance sector, which was the worst performing sector in the fourth quarter, helped the Fund's return relative to the benchmark. The Fund also had strong security selection in the finance sector with good performance from American Express Co. (0.63%), Simon Property Group Inc. (0.31%) and Bank Hawaii Corp. (0.33%). The Fund's small underweight positions in both health technology and health services detracted from these positive results as those sectors were among the best performing sectors during the quarter.

In a reversal from the third quarter, security selection was the main driver of the Fund's outperformance during the fourth quarter. In addition to the finance sector mentioned above, both electronic technology and technology services enjoyed solid stock selection with strength from SanDisk Corp. (0.95%), Hewlett-Packard Co. (0.65%), QLogic Corp. (0.32%) and Northrop Grumman Corp. (0.31%) and Symantec Corp. (0.35%), BMC Software Inc. (0.50%) and Computer Sciences Corp. (0.90%), respectively.

SECTOR DIVERSIFICATION⁴ (%)

SECTOR	Fund	Index*
Finance	21.81%	24.18%
Energy Minerals	14.65%	15.48%
Producer Manufacturing	7.21%	6.21%
Health Technology	6.57%	6.78%
Consumer Services	6.24%	5.88%
Electronic Technology	6.23%	5.70%
Communications	6.14%	5.78%
Utilities	5.58%	7.33%
Consumer Non-Durables	5.18%	4.33%
Process Industries	3.74%	2.86%

SECTOR	Fund	Index*
Non-Energy Minerals	2.74%	1.63%
Industrial Services	2.52%	3.12%
Retail Trade	2.42%	3.03%
Technology Services	2.06%	0.63%
Other	1.36%	0.09%
Commercial Services	1.25%	0.43%
Transportation	1.24%	2.20%
Consumer Durables	1.21%	1.70%
Health Services	1.09%	1.94%
Distribution Services	0.76%	0.70%

* Russell 1000 Value Index

FUND FACTS

Ticker Symbol:	CFVLX
CUSIP:	200626828

FINANCIAL INFORMATION

Total Fund Assets	\$63,896,994
Net Asset Value ¹	\$17.99

EXPENSE RATIO⁵

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	99.2%
Cash	0.8%

PORTFOLIO CHARACTERISTICS

Avg. Mkt. Capitalization	\$55.7 Billion
Price/Earnings Ratio ⁶	13.6x
Number of Holdings	156

TOP TEN HOLDINGS⁴

1. Exxon Mobil Corp.	5.2%
2. Chevron Corp.	3.4%
3. A T & T Inc.	3.3%
4. General Electric Co.	3.2%
5. J P Morgan Chase & Co.	2.9%
6. Pfizer Inc.	2.8%
7. Bank of America Corp.	2.6%
8. Verizon Communications	2.2%
9. Walt Disney Co.	2.0%
10. Wells Fargo & Co.	2.0%



LIPPER RANKINGS

Lipper Large-Cap Value Funds as of 12/31/09

1 Year	462 out of 523
5 Years	245 out of 394
10 Years	99 out of 186

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 12/31/09

Overall ★★★	out of 1104 funds
3-Year ★★★	out of 1104 funds
5-Year ★★★	out of 912 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
- 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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