

**Commonwealth International
Series Trust**

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**The Commonwealth International
Series Trust
Australia/New Zealand Fund
Japan Fund**



SEMI-ANNUAL REPORT

April 30, 2002



P.O. Box 844, Conshohocken, PA 19428 * 888.345.1898
 Commonwealth Australia/New Zealand Fund (CNZLX)
 Commonwealth Japan Fund (CNJFX)

Dear Shareholder:

We are pleased to present this annual report on the Commonwealth International Series Trust's Funds for the six months ended April 30, 2002. The Australia/New Zealand Fund's net asset value ("NAV") as of April 30, 2002 is US \$9.69 per share compared to US \$8.53 per share on October 31, 2001, an increase of 13.6%. The Japan Fund's net asset value ("NAV") on April 30, 2002 is US \$3.79 per share compared to US \$4.12 per share on October 31, 2001, a decrease of -8.0%.

FUNDS' COMPARATIVE PERFORMANCE

Both Funds' objectives are to own a diversified portfolio of stocks of companies that provide current income through dividends and have potential for long-term capital appreciation. Our portfolios include securities traded on the local country stock exchange as well as American Depository Receipts (ADRs) because they can provide an efficient currency exchange and liquidity management for a US dollar fund.

COMMONWEALTH FUNDS	October 31, 2001 – April 30, 2002 Performance (%)			
	<i>US\$ Change in Net Asset Value</i>	<i>Local Market Benchmark</i>	<i>Local Currency vs. US\$</i>	<i>US\$ vs. Local Currency</i>
Commonwealth Australia/New Zealand (CNZLX)				
New Zealand	13.0%	5.4%	8.6%	-7.9%
Australia	13.0%	3.9%	6.9%	-6.5%
Commonwealth Japan (CNJFX)	-8.0%	2.1%	-4.6%	4.8%

COMMONWEALTH INTERNATIONAL SERIES TRUST

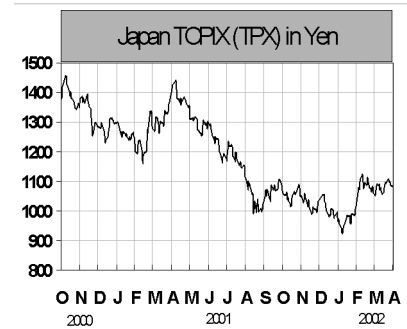
The local market benchmark against which we compare the Japan Fund's performance is the TOPIX¹, also known as the Tokyo Price Index. It is a capitalization weighted index of all companies listed on the First Section of the Tokyo Stock Exchange. For the Australia/New Zealand fund, the market index used prior to October 31, 2001 was the New Zealand Small Company Index (NZSCI)². Starting April 30, 2002, a benchmark of both the Australia All Ordinaries (AS30 Index) and the NZSCI indices will be used. In analyzing the funds' performance, the reader should remember an index does not reflect any cash positions, brokerage costs or administrative or management fees incurred by the Fund as well as the currency effects on performance. It is not an investment product available for purchase. We also show the currency exchange rates movements in the performance chart.

ECONOMIC & MARKET OVERVIEW

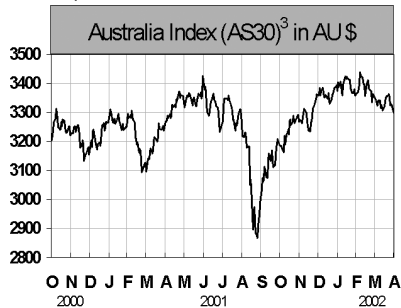
Japan: The stock market (TOPIX) was up in Japanese yen terms for the six months ended April 30, 2002 by 2.1%, driven mainly by a global economic slowdown, and a slow effort on Japan's governments part to restructure. Inflation is nonexistent and interest rates are low. If corporate Japan generates any top-line growth, stocks should appreciate. Unemployment is at the highest level in almost half a century and could rise if no economic policy action is taken. Stocks could appreciate significantly in 2002 with one right move on the banks' bad debt problem. Thus far, that move has proved elusive. Consumer prices have fallen for 40 months, and real estate prices have sunk 60% since 1997. Deflation must end before stocks and the economy can improve. The Shoku

Chuikin Small Business Conditions indicator hit a four-year low last month. So, with the yen weak, interest rates low, and an inventory rebuild likely, we look for industrial production and GDP to pick up now. Foreigners remain very underweighted in this market. Domestic investors have only 8% of their assets in stock. The most likely scenario is that Japan's economy will shrink further but without collapsing or damaging the world financial system. While gross government debt is about 130% of GDP, net interest expense is only 3% of GDP owing to the long maturity of debt and low interest rates. Japan's net international investment position is still the biggest in the world, given its economic success in the 1970s and 1980s. This means Japan, the world's biggest net creditor, can draw down assets as needed to respond to yen weakness or internal capital needs. In the end, we think that will make the difference.

Strategy: The Fund has maintained its weighting in the utilities and transportation sectors. Looking ahead, the Japanese stock market looks cheap, as earnings should benefit far more than expected from corporate restructuring. We plan to continue our strategy in 2002 by buying value companies. We hope to be positioned to benefit from the stock market recovery.



COMMONWEALTH INTERNATIONAL SERIES TRUST



Australia: Although its resourced based economy is closely linked to that of the world, particularly to the US economy, Australia does not face a recession in 2002 as low interest rates are providing a significant stimulus to the economy. We see the 10 year Bond rate peaking this summer around 6.5% and then falling below 6% in 2003. The Australian dollar is strengthening against the U.S. dollar, probably going to a \$.60 by year end. UBS Warburg forecasts the Australian economy to grow by 3% in 2003. The portfolio in Australia focuses mainly on larger capitalization stocks.

New Zealand: Like Australia, New Zealand is positioned as the springboard into the vast market opportunities of the East Asia/Western Pacific region. The New Zealand economy is doing better than most global economies. Growth is strong, business confidence is high, and commodity prices should remain high. The Balance of Payments has recovered from its negative position to a positive balance.

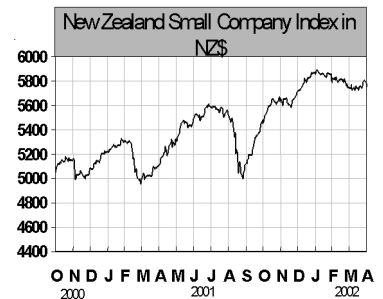
Reasonable interest rates, higher net exports and a strengthening currency are all working to stimulate the economy, thus boosting confidence in the equity market. Annual Economic growth is forecast to be an average of 2.6% between March 2002 and March 2006 according to the New Zealand Institute of Economic Research. Strong growth bodes well for the equity market. The fundamentals remain sound and should support an appreciation of the equity market. If a country could be a stock, New Zealand would definitely be a value stock.

New Zealand Tops List in Spending (Information and Communication Technology)

New Zealand tops the list in terms of ICT spending as a percentage of GDP, according to the results of Digital Planet 2002. The survey was produced by the World Information Technology and Services Alliance (WITSA). New Zealand last year spent 14.4% of GDP on ICT-an indication of its growing knowledge economy. New Zealand spent NZ\$4,312 (approximately US\$1,839) for every citizen last year.

New Zealanders and Australians Among World's Most Entrepreneurial

According to the Global Entrepreneurship Monitor (GEM) 2001, New Zealand rated second and Australia third according to the overall results. Just over 18% of New Zealand's adult population is classified as business entrepreneurs. Significantly New Zealand has the world's highest rating of 'opportunity entrepreneurship' at 15%. In the United States, 11.7% of adults are business entrepreneurs, giving the country a ranking of seventh out of the 29 countries studied. The GEM project examines the relationship between entrepreneurship, economic growth and national prosperity.



COMMONWEALTH INTERNATIONAL SERIES TRUST

If you have any questions, please feel free to contact us. We thank you for your continued investment.

Sincerely,



Robert W. Scharar
President and Portfolio Manager
Commonwealth Funds

This report is intended for the fund's shareholders. It may not be distributed to prospective investors unless it is preceded or accompanied by the current fund prospectus.

¹ TOPIX is an unmanaged index including all the stocks currently listed in the Tokyo Stock Exchange First Section (over 90% of all equity securities traded on the Tokyo Stock Exchange) weighted by market capitalization. Index returns are calculated monthly and assume reinvestment of dividends. Unlike Fund returns, TOPIX returns do not reflect deduction of any fees or expenses.

² The New Zealand Small Companies Index is a capitalization-weighted index of all domestic stocks traded on the New Zealand Stock Exchange excluding those on the New Zealand Stock Exchange 40 Index.

³ The Australian All ordinaries Index is a capitalization-weighted index comprised of the largest 500 companies as measured by market capitalization that are listed on the Australian Stock Exchange and is not an investment vehicle available for purchase.

Advised by: FCA Corp
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**COMMONWEALTH INTERNATIONAL SERIES TRUST
COMMONWEALTH AUSTRALIA/NEW ZEALAND FUND**

SCHEDULE OF INVESTMENTS - April 30, 2002 (Unaudited)

	<u>Shares</u>	<u>Value</u>
COMMON STOCK (95.88%)		
<i>AGRICULTURE (14.18%)</i>		
Williams & Kettle, Ltd.	333,100	\$ 581,326
Wrightson, Ltd.	178,000	87,618
		<u>668,944</u>
<i>AIRPORT DEVELOPMENT (2.86%)</i>		
Auckland International Airport, Ltd.	70,000	<u>134,694</u>
<i>APPLIANCES (4.31%)</i>		
Fisher & Paykel Appliances Holdings, Ltd.	31,916	137,107
Scott Technology, Ltd.	79,997	66,226
		<u>203,333</u>
<i>AUTOMOBILE MANUFACTURERS (4.78%)</i>		
Colonial Motor Co., Ltd.	180,000	<u>225,534</u>
<i>BANKS (3.22%)</i>		
Australia and New Zealand Banking Group, Ltd. ADR	1,500	77,220
Bank of Queensland, Ltd.	10,345	39,327
Commonwealth Bank of Australia	2,000	35,277
		<u>151,824</u>
<i>BEVERAGES (0.94%)</i>		
BRL Hardy, Ltd.	8,510	<u>44,323</u>
<i>BUILDING/CONSTRUCTION (0.21%)</i>		
Fletcher Building, Ltd.	7,625	<u>9,656</u>
<i>CHEMICALS (0.79%)</i>		
Nuplex Industries, Ltd.	27,000	<u>37,455</u>
<i>CONTAINERS (0.86%)</i>		
Ancor, Ltd.	10,184	<u>40,520</u>

**COMMONWEALTH INTERNATIONAL SERIES TRUST
COMMONWEALTH AUSTRALIA/NEW ZEALAND FUND**

SCHEDULE OF INVESTMENTS - April 30, 2002 (Unaudited)

	<u>Shares</u>	<u>Value</u>
<i>COMMERCIAL SERVICES (7.32%)</i>		
AMP, Ltd.	9,000	\$ 89,213
Hallenstein Glasson Holdings, Ltd.	50,000	58,845
Leighton Holdings, Ltd.	6,000	33,666
Perpetual Trustees Australia, Ltd.	2,100	50,515
Tower, Ltd.	51,473	113,095
		<u>345,334</u>
<i>DIVERSIFIED FINANCIAL SERVICES (5.23%)</i>		
Hellaby Holdings, Ltd.	116,640	136,751
Lion Nathan, Ltd.	43,000	109,679
		<u>246,430</u>
<i>FOREST AND PAPER (2.38%)</i>		
Carter Holt Harvey, Ltd.	120,000	96,657
Fletcher Challenge Forests, Ltd.*	160,000	15,752
		<u>112,409</u>
<i>HEALTHCARE (2.72%)</i>		
Fisher and Paykel Healthcare Corp.	30,639	128,194
<i>INSURANCE (0.71%)</i>		
AXA Asia Pacific Holdings, Ltd.	25,000	33,673
<i>INVESTMENT COMPANIES (5.13%)</i>		
Infratil, Ltd.	277,729	210,034
Infratil, Ltd. Warrants*	55,972	11,271
Colonial First State Property Trust	44,683	20,795
		<u>242,100</u>
<i>MANUFACTURING (0.65%)</i>		
Brickworks, Ltd.	8,000	30,412

**COMMONWEALTH INTERNATIONAL SERIES TRUST
COMMONWEALTH AUSTRALIA/NEW ZEALAND FUND**

SCHEDULE OF INVESTMENTS - April 30, 2002 (Unaudited)

	<u>Shares</u>	<u>Value</u>
MINING (1.22%)		
BHP Billiton, Ltd. ADR	5,000	\$ 57,750
OFFICE EQUIPMENT (0.93%)		
Corporate Express Australia, Ltd.	16,400	43,677
OIL & GAS (2.20%)		
New Zealand Refining Co., Ltd.	13,647	103,817
PUBLISHING (2.14%)		
Independent Newspapers, Ltd.	60,000	100,685
RETAIL STORES (1.82%)		
Arthur Barnett, Ltd.	210,300	85,637
STEEL (0.55%)		
Steel and Tube Holdings, Ltd.	20,000	26,133
TELECOMMUNICATIONS (1.85%)		
Telecom Corp. of New Zealand	40,484	87,320
TRANSPORTATION (7.46%)		
Mainfreight, Ltd.	241,250	145,741
Owens Group, Ltd.	75,000	33,897
Ports of Auckland, Ltd.	20,000	55,488
Toll Holdings, Ltd.	6,000	116,882
		<u>352,008</u>
TRAVEL SERVICES (0.94%)		
Tourism Holdings	97,499	44,502
UTILITIES (1.47%)		
Australian Gas & Light Co., Ltd.	5,000	25,881
United Networks, Ltd.	12,000	43,549
		<u>69,430</u>

**COMMONWEALTH INTERNATIONAL SERIES TRUST
COMMONWEALTH AUSTRALIA/NEW ZEALAND FUND**

SCHEDULE OF INVESTMENTS - April 30, 2002 (Unaudited)

	<u>Shares</u>	<u>Value</u>
WAREHOUSE INDUSTRIES (15.88%)		
Lyttleton Port Co., Ltd.	200,000	\$ 161,096
Northland Port Corp. New Zealand, Ltd.	302,300	340,894
South Port New Zealand, Ltd.	336,500	<u>246,950</u>
		<u>748,940</u>
 WASTE MANAGEMENT (3.13%)		
Waste Management New Zealand, Ltd.	122,154	<u>147,588</u>
TOTAL COMMON STOCK (Cost \$4,560,761)		<u><u>4,522,322</u></u>
 BONDS (6.25%)		
	<u>Principal</u>	
Evergreen Forests, Ltd., zero coupon, due 03/19/2009	45,000	24,768
Infratil, Ltd., 6.90%, due 03/31/2004	55,972	33,038
Kiwi Income Property Trust, 9.00%, due 09/30/2003	240,000	127,802
State Bank of South Australia, 9.00%, due 07/30/2002	94,000	42,405
Meridian Centre, 10.50%, due 10/15/05	150,000	<u>66,791</u>
TOTAL BONDS (Cost \$335,763)		<u>294,804</u>
TOTAL INVESTMENTS (Cost \$4,896,524) (102.13%) ...		4,817,127
OTHER ASSETS & LIABILITIES, NET (-2.13%)		<u>(100,651)</u>
NET ASSETS — (100%)		<u><u>\$ 4,716,476</u></u>

*Non-income producing investment
ADR - American Depository Receipt

The accompanying notes are an integral part of the financial statements.

**COMMONWEALTH INTERNATIONAL SERIES TRUST
COMMONWEALTH JAPAN FUND**

SCHEDULE OF INVESTMENTS - April 30, 2002 (Unaudited)

	<u>Shares</u>	<u>Value</u>
COMMON STOCK (90.53%)		
<i>AIRLINES (1.17%)</i>		
All Nippon Airways Co., Ltd.*	10,000	\$ 28,349
Japan Air Lines Co., Ltd. ADR	1,600	8,928
		<u>37,277</u>
<i>AUTOMOBILE MANUFACTURERS (3.14%)</i>		
Honda Motor Co., Ltd.# ADR	1,000	22,690
Nissan Motor Co., Ltd.	3,200	49,856
Toyota Motor Corp. ADR	500	27,415
		<u>99,961</u>
<i>BUILDING (0.81%)</i>		
Nishimatsu Construction Co., Ltd.	10,000	<u>25,779</u>
<i>BUILDING PRODUCTS (1.48%)</i>		
Sanyo Industries, Ltd.	16,000	<u>47,103</u>
<i>CHEMICALS (1.58%)</i>		
Showa Denko K.K.*	32,000	<u>50,343</u>
<i>ELECTRONICS & ELECTRICAL EQUIPMENT (11.79%)</i>		
Canon, Inc. ADR	2,000	77,720
Meidensha Corp.*	38,000	65,109
Sony Corp. ADR	2,000	108,400
Yokogwa Electric Corp.	15,000	124,533
		<u>375,762</u>
<i>FINANCIAL SERVICES (1.31%)</i>		
Nomura Holdings, Inc.	3,000	<u>41,822</u>

**COMMONWEALTH INTERNATIONAL SERIES TRUST
COMMONWEALTH JAPAN FUND**

SCHEDULE OF INVESTMENTS - April 30, 2002 (Unaudited)

	<u>Shares</u>	<u>Value</u>
<i>FOOD & BEVERAGE (5.73%)</i>		
Ajinomoto Co., Inc. ADR	1,200	\$ 119,533
Q.P. Corp.	8,000	<u>62,928</u>
		<u>182,461</u>
<i>INDUSTRIAL (1.28%)</i>		
Ishikawajima Harima Heavy Industries Co., Ltd.	25,000	<u>40,693</u>
<i>INSURANCE (2.96%)</i>		
Aflac, Inc.#	1,900	56,810
Millea Holdings, Inc.* ADR	600	23,700
Nissan Fire & Marine Insurance Co., Ltd.	7,000	<u>13,793</u>
		<u>94,303</u>
<i>INTERNET SERVICES & SOFTWARE (0.57%)</i>		
Softbank Corp.	1,200	<u>18,224</u>
<i>MEDICAL -DRUGS (11.24%)</i>		
Banyu Pharmaceutical Co., Ltd. ADR	300	80,280
Eisai Co., Ltd. ADR	7,400	190,187
Takeda Chemical Industries, Ltd.	2,000	<u>87,539</u>
		<u>358,006</u>
<i>METALS (3.14%)</i>		
NKK Corp.*	120,000	<u>100,000</u>
<i>PHARMACEUTICAL (3.81%)</i>		
Hokuriku Seiyaku Co., Ltd.	6,000	<u>121,262</u>
<i>REAL ESTATE (3.59%)</i>		
Sumitomo Realty & Development	23,000	<u>114,462</u>
<i>STEEL (3.02%)</i>		
Nippon Steel Corp.	63,000	<u>96,168</u>

**COMMONWEALTH INTERNATIONAL SERIES TRUST
COMMONWEALTH JAPAN FUND**

SCHEDULE OF INVESTMENTS - April 30, 2002 (Unaudited)

	<u>Shares</u>	<u>Value</u>
<i>TELECOMMUNICATIONS (1.99%)</i>		
NTT DoCoMo, Inc.	25	\$ 63,279
<i>TEXTILE PRODUCTIONS (3.42%)</i>		
Ichikawa Co., Ltd.	25,000	64,252
Nippon Felt Co., Ltd.	16,000	44,860
		<u>109,112</u>
<i>TIRES & RUBBER (3.64%)</i>		
Bridgestone Corp. ADR	550	77,574
Sumitomo Rubber Industries, Ltd.	10,000	38,551
		<u>116,125</u>
<i>TRANSPORTATION SERVICES (10.44%)</i>		
Hankyu Corp.	22,000	68,536
Keihin Electric Express Railway Co., Ltd.	13,000	53,053
Keio Electric Railway Co., Ltd.	18,000	78,224
Tobu Railway Co., Ltd.	18,000	48,084
Yamato Transport Co., Ltd.	5,000	84,891
		<u>332,788</u>
<i>UTILITIES (14.42%)</i>		
Chugoku Electric Power Co., Inc.	5,000	64,836
Hokkaido Electric Power	6,000	73,037
Shikoku Electric Power Co., Inc.	1,900	25,008
Toho Gas Co., Ltd.	70,000	142,290
Tohoku Electric Power	9,700	117,699
Tokyo Electric Power Co., Inc.	2,000	36,448
		<u>459,318</u>
TOTAL COMMON STOCK (Cost \$3,104,924)		<u>2,884,248</u>

**COMMONWEALTH INTERNATIONAL SERIES TRUST
COMMONWEALTH JAPAN FUND**

SCHEDULE OF INVESTMENTS - April 30, 2002 (Unaudited)

	<u>Shares</u>	<u>Value</u>
MISCELLANEOUS ASSETS (11.97%)		
iShares MSCI Japan Index Fund	12,000	\$ 101,280
Japan OTC Equity Fund, Inc.*	25,000	181,250
Nikkei 225 Index Tokyo Stock Exchange*	10,000	<u>98,700</u>
(Cost \$406,256)		<u>381,230</u>
TOTAL INVESTMENTS (Cost \$3,511,180) (102.50%) ...		3,265,478
OTHER ASSETS & LIABILITIES, NET (-2.50%)		<u>(79,508)</u>
NET ASSETS — (100%)		<u><u>\$ 3,185,970</u></u>

Call options have been written by the Fund against these positions. (Note 5)

* Non-income producing security

ADR - American Depository Receipt

The accompanying notes are an integral part of the financial statements.

COMMONWEALTH INTERNATIONAL SERIES TRUST

STATEMENTS OF ASSETS AND LIABILITIES - April 30, 2002 (Unaudited)

	Commonwealth Australia/New Zealand Fund	Commonwealth Japan Fund
ASSETS:		
Investments, at market (identified cost \$4,896,524 and \$3,511,180, respectively)	\$4,817,126	\$3,265,478
Foreign currency, at value (identified cost \$51,208 and \$8,248, respectively)	52,652	8,153
Receivables:		
Dividends and interest	24,105	10,148
Investments sold	29,547	1,960
Fund shares sold	50,500	51,489
Prepaid expenses	309	8,628
Total assets	4,974,239	3,345,856
LIABILITIES:		
Payables:		
Fund shares redeemed	11,262	—
Due to custodian	213,522	123,815
Accrued distribution fees	8,496	6,958
Due to advisor	2,897	1,900
Accrued expenses	21,588	23,553
Covered call options written, at value (premiums received \$0 and \$4,197, respectively)	—	3,660
Total liabilities	257,765	159,886
NET ASSETS	\$4,716,474	\$3,185,970
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER SHARE:		
(486,526 and 840,337 shares of beneficial interest outstanding, respectively)	\$ 9.69	\$ 3.79
SOURCE OF NET ASSETS:		
Paid-in capital	5,294,602	5,956,448
Accumulated net realized loss on investments	(478,476)	(2,418,069)
Undistributed net investment loss	(22,040)	(107,439)
Net unrealized appreciation (depreciation) on:		
Investments	(79,398)	(245,165)
Translation of assets and liabilities in foreign currencies . . .	1,786	195
	\$4,716,474	\$3,185,970

The accompanying notes are an integral part of the financial statements.

COMMONWEALTH INTERNATIONAL SERIES TRUST

STATEMENTS OF OPERATIONS For the Period Ended April 30, 2002 (Unaudited)

	Commonwealth Australia/New Zealand Fund	Commonwealth Japan Fund
INVESTMENT INCOME:		
Interest	\$ 13,956	\$ 1,046
Dividends (net of foreign taxes withheld of \$19,952 and \$2,128, respectively)	<u>113,182</u>	<u>14,250</u>
Total investment income	<u>127,138</u>	<u>15,296</u>
EXPENSES:		
Investment advisory fees	17,932	11,970
Administration fees	35,063	29,753
Custodian fees	9,379	3,453
Distribution fees	11,939	7,945
Insurance	8,552	9,190
Trustee expense	7,740	6,150
Audit fees	5,709	5,691
Legal fees	12,500	15,072
Registration fees	25,660	20,714
Reports to shareholders	5,861	5,861
Miscellaneous expense	<u>8,843</u>	<u>6,936</u>
Total expenses	<u>149,178</u>	<u>122,735</u>
Net investment loss	<u>(22,040)</u>	<u>(107,439)</u>
REALIZED AND UNREALIZED GAIN (LOSS)		
ON INVESTMENTS:		
Net realized gain (loss) on:		
Investments	68,011	(1,503)
Option contracts written	—	2,845
Foreign currency transactions	(156,087)	(530)
Net unrealized appreciation (depreciation) during the year on:		
Investments	717,331	(145,227)
Translation of assets and liabilities in foreign currencies	<u>8,808</u>	<u>659</u>
	<u>638,063</u>	<u>(143,756)</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 616,023</u>	<u>\$(251,195)</u>

The accompanying notes are an integral part of the financial statements.

COMMONWEALTH INTERNATIONAL SERIES TRUST

STATEMENT OF CHANGES IN NET ASSETS

	<u>Commonwealth Australia/New Zealand Fund</u>	
	For the Period Ended April 30, 2002 (Unaudited)	For the Year Ended October 31, 2001
OPERATIONS:		
Net investment loss	\$ (22,040)	\$ (6,465)
Net realized gain (loss) on:		
Investments	68,011	34,097
Foreign currency transactions	(156,087)	(351,093)
Net unrealized appreciation (depreciation) during the period on:		
Investments	717,331	—
Translation of assets and liabilities in foreign currencies ...	8,808	863,304
Net increase (decrease) in net assets resulting from operations ...	<u>616,023</u>	<u>539,843</u>
CAPITAL SHARE TRANSACTIONS:		
Increase (decrease) in net assets from Fund share transactions ...	<u>(433,209)</u>	<u>508,663</u>
Increase in net assets	182,814	1,048,506
NET ASSETS:		
Beginning of year	<u>4,533,660</u>	<u>3,485,154</u>
End of year	<u>\$4,716,474</u>	<u>\$ 4,533,660</u>

	<u>Commonwealth Japan Fund</u>	
	For the Period Ended April 30, 2002 (Unaudited)	For the Year Ended October 31, 2001
OPERATIONS:		
Net investment loss	\$ (107,439)	\$ (148,809)
Net realized gain (loss) on:		
Investments	(1,503)	(186,716)
Option contracts written	2,845	—
Foreign currency transactions	(530)	(57,808)
Net unrealized appreciation (depreciation) during the period on:		
Investments	(145,227)	—
Translation of assets and liabilities in foreign currencies ...	659	(670,375)
Net decrease in net assets resulting from operations	<u>(251,195)</u>	<u>(1,063,708)</u>
CAPITAL SHARE TRANSACTIONS:		
Increase (decrease) in net assets from Fund share transactions ...	<u>29,495</u>	<u>(1,811,011)</u>
Decrease in net assets	(221,700)	(2,874,719)
NET ASSETS:		
Beginning of year	<u>3,407,670</u>	<u>6,282,389</u>
End of year	<u>\$3,185,970</u>	<u>\$ 3,407,670</u>

The accompanying notes are an integral part of the financial statements.

COMMONWEALTH INTERNATIONAL SERIES TRUST

FINANCIAL HIGHLIGHTS

The following tables set forth the per share operating performance data for a share of capital stock outstanding, total return ratios to average net assets and other supplemental data for each fiscal year or period indicated.

	For the Period Ended April 30, 2002 (Unaudited)	Commonwealth Australia/New Zealand Fund			
		Years Ended October 31,			
		2001	2000	1999	1998
Net Asset Value, Beginning of Period	\$ 8.53	\$ 7.19	\$ 9.27	\$ 7.73	\$11.25
Investment Operations:					
Net investment income (loss)	(0.05)	—	0.03	0.13	0.14
Net realized and unrealized gain (loss) on investments	1.21	1.34	(2.05)	1.44	(3.46)
Total from investment operations	1.16	1.34	(2.02)	1.57	(3.32)
Distributions from:					
Net investment income	—	—	(0.06)	(0.03)	(0.20)
Net Asset Value, End of Period	\$ 9.69	\$ 8.53	\$ 7.19	\$ 9.27	\$ 7.73
Total Return	13.60%	18.64%	(21.98)%	20.38%	(29.88)%
Ratios/Supplemental Data					
Net assets, end of period (in 000's)	\$4,716	\$4,534	\$3,485	\$4,349	\$4,494
Ratio of expenses to average net assets before reimbursements and waivers of expenses	6.24% ¹	5.74%	4.75%	4.14%	4.37%
after reimbursements and waivers of expenses	6.24% ¹	5.74%	4.75%	4.14%	4.37%
Ratio of net investment income before reimbursements and waivers of expenses	(0.92)% ¹	(0.18)%	0.39%	1.42%	1.51%
after reimbursements and waivers of expenses	(0.92)% ¹	(0.18)%	0.39%	1.42%	1.51%
Portfolio turnover rate	10%	28%	15%	8%	25%

¹Annualized

The accompanying notes are an integral part of the financial statements.

COMMONWEALTH INTERNATIONAL SERIES TRUST

FINANCIAL HIGHLIGHTS

The following tables set forth the per share operating performance data for a share of capital stock outstanding, total return ratios to average net assets and other supplemental data for each fiscal year or period indicated.

	For the Period Ended April 30, 2002 (Unaudited)	Commonwealth Japan Fund			
		Years Ended October 31,			
		2001	2000	1999	1998
Net Asset Value, Beginning of Period	\$ 4.12	\$ 5.64	\$ 6.88	\$ 4.55	\$ 5.21
Investment Operations:					
Net investment loss	(0.13)	—	(0.14)	(0.21)	(0.07)
Net realized and unrealized gain (loss) on on investments	(0.20)	(1.52)	(1.10)	2.54	(0.59)
Total from investment operations	(0.33)	(1.52)	(1.24)	2.33	(0.66)
Distributions from:					
Net investment income	—	—	—	—	—
Net Asset Value, End of Period	\$ 3.79	\$ 4.12	\$ 5.64	\$ 6.88	\$ 4.55
Total Return	(8.01)%	(26.95)%	(18.02)%	51.21%	(12.67)%
Ratios/Supplemental Data					
Net assets, end of period (in 000's)	\$3,186	\$3,408	\$6,282	\$5,305	\$2,604
Ratio of expenses to average net assets before reimbursements and waivers of expenses	7.69% ¹	5.57%	3.84%	4.61%	6.32%
after reimbursements and waivers of expenses	7.69% ¹	5.57%	3.84%	4.61%	2.50%
Ratio of net investment loss before reimbursements and waivers of expenses	(6.73)% ¹	(3.97)%	(3.08)%	(3.94)%	(5.67)%
after reimbursements and waivers of expenses	(6.73)% ¹	(3.97)%	(3.08)%	(3.94)%	(1.87)%
Portfolio turnover rate	0%	51%	14%	17%	35%

¹Annualized

The accompanying notes are an integral part of the financial statements.

COMMONWEALTH INTERNATIONAL SERIES TRUST

NOTES TO FINANCIAL STATEMENTS - April 30, 2002 (Unaudited)

Note 1 - Organization

Commonwealth International Series Trust (the "Trust"), which changed its name from Capstone International Series Trust effective October 10, 2000, is registered under the Investment Company Act of 1940 (the "Act"), as a diversified open-end management investment company. The Trust currently consists of two diversified series: the Australia/New Zealand Fund, and the Japan Fund (each a "Fund" and collectively the "Funds").

Note 2 - Investment Objectives

The Australia/New Zealand Fund's investment objective is to seek long-term capital appreciation and current income by investing in equity securities, debt securities, and securities convertible into common stock of Australia and New Zealand issuers.

The Japan Fund's investment objective is to seek long-term capital appreciation and income using a research oriented approach.

Note 3 - Significant Accounting Policies

The following is a summary of significant accounting policies consistently followed by the Funds in the preparation of its financial statements.

A) Valuation of Securities - Portfolio securities which are traded on securities exchanges are valued at the last sales price on that exchange prior to the relevant closing or, if there is no recent last sales price available, at the last current bid quotation. A security which is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. Fixed income securities are valued using market quotations or pricing services. In the absence of any applicable price, securities will be valued at a fair value as determined in good faith in accordance with procedures established by the Board of Trustees.

B) Currency Translation - For purposes of determining the Funds' net asset value, all assets and liabilities initially expressed in foreign currency values are converted into U.S. dollar values at the prevailing market rate at 14:00 GMT on each U.S. business day, as established by the Board of Trustees. The cost of securities is determined by using historical exchange rates. Income is translated at approximate rates prevailing when accrued. The Funds do not isolate that portion of gains and losses on investments which is due to changes in foreign exchange rates from that which is due to changes in the market prices of the investments. Such fluctuations are included with the net realized and unrealized gains and losses from investments.

COMMONWEALTH INTERNATIONAL SERIES TRUST

NOTES TO FINANCIAL STATEMENTS - April 30, 2002 (Unaudited) (continued)

C) Accounting for Investments - Security transactions are accounted for on the trade date. Realized gains and losses on security transactions are based on the identified cost basis for both financial statement and Federal income tax purposes. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Discounts and premiums on bonds purchased are amortized over the life of the bonds. Interest income and estimated expenses are accrued daily.

D) Federal Income Taxes - No provision has been made for Federal income taxes since it is the policy of the Funds to continue to comply with the special provisions of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income and realized capital gains, to relieve it from all, or substantially all, such taxes.

At October 31, 2001, the Australia/New Zealand Fund had capital loss carryovers of \$341,541 of which \$73,404 expires in 2006, and \$268,137 expires in 2009. Under the United States-New Zealand tax treaty, New Zealand imposes a withholding tax on dividends (15%) and interest (10%) received by the Fund. There is currently no New Zealand tax on capital gains.

At October 31, 2001, the Japan Fund had capital loss carryovers of \$941,555 of which \$434,729 expires in 2005, \$244,983 expires in 2006 and \$261,843 expires in 2009. Under the United States-Japan tax treaty, Japan imposes a withholding tax of 15% on the dividends received by the Fund. There is currently no Japanese tax on capital gains.

E) Distributions to Shareholders - The Funds distribute net investment income, if any, and net realized gains (net of any capital loss carryovers) annually. Income and capital gain distributions are determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences are primarily due to differing treatments for foreign currency transactions and capital loss carryovers.

F) Option Accounting Principles - When the Funds sell an option, an amount equal to the premium received by the Funds is recorded as a liability. The amount of the liability is marked-to-market to reflect the current market value of the options written. The current market value of a traded option is the last sale price and options not traded that day are valued at the prevailing quoted bid price. When an option expires on its stipulated expiration date or the Fund enters into a closing purchase transaction, the Funds realize a gain (or loss, if the cost of a closing purchase transaction exceeds the premium received when the option was sold) without regard to any unrealized gain or loss on the underlying security, and the liability related to such option is extinguished. If a call option is exercised, the premium is added to the proceeds from the sale of the underlying security in determining whether the Fund has a realized gain or loss.

COMMONWEALTH INTERNATIONAL SERIES TRUST

NOTES TO FINANCIAL STATEMENTS - April 30, 2002 (Unaudited) (continued)

G) Forward Currency Contracts - Forward currency transactions are undertaken to hedge against possible variations in the foreign exchange rates between the United States Dollar and foreign currency. A forward currency contract is an agreement between two parties to buy or sell a currency at a set price on a future date. Forward contracts are marked-to-market daily and the change in the market value is recorded by the Fund as an unrealized gain or loss. When a contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The Funds could be exposed to risk if the counterparties are unable to meet the terms of the contracts or if the value of the currency changes unfavorably.

H) Use of Estimates - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Note 4 - Investment Advisory Fees, Administrative Fees and Other Transactions with Affiliates

The Funds retain FCA Corp, ("FCA") as its Investment Adviser. Under the Investment Advisory Agreement (the "Agreement"), the Adviser is paid a monthly fee based on the average daily net assets at the annual rate of .75%.

The Company on behalf of its series has contracted with Declaration Service Company, Inc. ("DSC") to perform specified administrative services for the Funds.

Declaration Service Company serves as the transfer agent of the Funds and received fees of \$11,833 from each fund during the period ended April 30, 2002.

On December 5, 2001, Declaration Holdings Company, the parent company of DSC, was acquired by InCap Group, Inc ("ICG"). As a result, InCap Service Company ("ISC"), a subsidiary of ICG, assumed the obligations of the Investment Company Services Agreement. ISC currently provides the Fund with the same day-to-day operational services DSC had provided prior to the acquisition.

Declaration Distributors, Inc. an affiliate of the transfer Agent serves as Distributor of the Fund's shares.

On December 5, 2001, Declaration Holdings Company, the parent company of Declaration Distributors, Inc., was acquired by ICG. As a result, InCap Securities, Inc., a subsidiary of ICG, assumed the obligations of the Distribution Agreement between the Fund, the Adviser and Declaration Distributors, Inc. InCap Securities, Inc. currently provides the Fund with the same day-to-day operational services Declaration Distributors, Inc. had provided prior to the acquisition. The Funds have adopted a Service and Distribution Plan (the "Plan") pursuant to Rule 12b-1 under the Act whereby Fund assets are used to reimburse the Distributor for costs and expenses incurred with the distribution and marketing of shares of the Funds and servicing of Fund shareholders. Distribution and marketing expenses include, among other things, printing of prospectuses, advertising

COMMONWEALTH INTERNATIONAL SERIES TRUST

NOTES TO FINANCIAL STATEMENTS - April 30, 2002 (Unaudited) (continued)

literature, and costs of personnel involved with the promotion and distribution of the Fund's shares. Under the Plan, the Fund pays the Distributor an amount computed at an annual rate of up to 0.25% of the Fund's average net assets (including reinvested dividends paid with respect to those assets). Of this amount, the Distributor may reallocate to securities dealers (which may include the Distributor itself) and other financial institutions and organizations (collectively, "Service Organizations") amounts based on the Fund's average net assets owned by stockholders for whom the Service Organizations have a servicing relationship. For the period ended April 30, 2002, the Australia/ New Zealand Fund and the Japan Fund incurred \$5,977, and \$3,990 in 12b-1 fees, respectively.

Certain officers and directors of the Funds who are also officers and directors of the Adviser, the Administrator, or Distributor, received no compensation from the Funds. For the period ended April 30, 2002, directors of the Funds who are not "interested persons" received directors' fees of \$8,479.

Note 5 - Capital Stock

At April 30, 2002 there were shares outstanding of 486,526 and 840,337, for the Australia/New Zealand Fund and the Japan Fund, respectively. Transactions in capital stock were as follows:

	Commonwealth Australia/New Zealand Fund			
	Period Ended April 30, 2002		Year Ended October 31, 2001	
	SHARES	DOLLARS	SHARES	DOLLARS
Shares sold	351,196	\$ 3,279,817	1,355,594	\$ 11,109,247
Shares issued to shareholders in reinvestment of distributions	—	—	—	—
Shares redeemed	(396,151)	(3,713,026)	(1,308,684)	(10,600,584)
Net Increase (decrease)	(44,955)	\$ (433,209)	46,910	\$ 508,663
	Commonwealth Japan Fund			
	Period Ended April 30, 2002		Year Ended October 31, 2001	
	SHARES	DOLLARS	SHARES	DOLLARS
Shares sold	1,781,160	\$ 6,865,140	4,869,720	\$ 23,418,590
Shares redeemed	(1,767,366)	(6,835,645)	(5,156,579)	(25,229,601)
Net Increase (decrease)	13,794	\$ 29,495	(286,859)	\$ (1,811,011)

COMMONWEALTH INTERNATIONAL SERIES TRUST

NOTES TO FINANCIAL STATEMENTS - April 30, 2002 (Unaudited) (continued)

Note 6 - Purchases and Sales of Securities

Purchases and sales of investment securities (excluding short-term securities) by the Funds for the period from November 1, 2001 to April 30, 2002 were as follows:

	<u>Purchases</u>	<u>Sales</u>
Australia/ New Zealand Fund	\$ 463,253	\$ 568,779
Japan Fund	—	29,707

For U.S. federal income tax purposes, the cost of securities owned, gross appreciation, gross depreciation and net unrealized appreciation/(depreciation) of investments at April 30, 2002 for each fund:

	<u>Cost</u>	<u>Gross Appreciation</u>	<u>Gross Depreciation</u>	<u>Net Appreciation/ (Depreciation)</u>
Australia/ New Zealand Fund	\$4,896,524	\$ 645,474	\$ (724,872)	\$ (79,398)
Japan Fund	3,515,377	214,378	(459,543)	(245,165)

Note 7 - Options Written by the Japan Fund

A call option gives the holder the right to buy the underlying stock from the writer (the Fund) at a specified price within a fixed period of time. Therefore, the securities held by the Fund against which options are written may not be traded and are held in escrow by the custodian.

The following table sets forth the outstanding call options written by the Fund as of April 30, 2002.

<u>Call Options On</u>	<u>Premium Received</u>	<u>Market Value</u>	<u>Unrealized Depreciation</u>
1,000 shs Honda Motor Ltd. ADR@ 22.5 exp October 19, 2002	\$1,960	\$1,950	\$ 10
1,900 shs AFLAC, Inc. ADR@ 30 exp May 18, 2002	<u>\$2,237</u>	<u>\$1,710</u>	<u>\$527</u>
	<u>\$4,197</u>	<u>\$3,660</u>	<u>\$537</u>

The aggregate market value at April 30, 2002 of securities subject to call options is \$79,500 or approximately 2.50% of net assets. Written option activity for the period ended April 30, 2002 was as follows:

	<u>Number of Options</u>	<u>Amount of Premium</u>
Options outstanding at October 31, 2001	25	\$ 5,082
Options written	28	1,960
Options expired	(24)	(2,845)
Options covered	<u>0</u>	<u>(0)</u>
Options outstanding at April 30, 2002	<u>29</u>	<u>\$ 4,197</u>