



Commonwealth Australia/New Zealand Fund

Commentary | Performance as of December 2022

OBJECTIVE: The Fund's investment objective is to provide long-term capital appreciation and current income. It invests primarily in equity and debt securities of Australia and New Zealand issuers.

FOCUS: With exports including metals, fossil fuels, agriculture products, and technologies, Australia and New Zealand provide for the needs of over half of the world's population. In addition to their exports, being familiar tourist destinations positively impacts the economies of these countries. That being the case, the Fund invests virtually all of its assets in Australia and New Zealand.

FUNDAMENTAL RESEARCH DISCIPLINE: Robert Scharar has managed the Commonwealth Funds since its inception in 1991, and he is supported by FCA Corp's broader research team. The Fund's management studies a company's products and its market place, management, and integral finances, often requiring direct talks with the management of the company.

FUND FACTS

Ticker	CNZLX
Inception Date	11/25/1991
Front Load %	None
Deferred Load %	None
Redemption Fee if sold within 14 days	2%
CUSIP	203042205
Minimum Initial Investment	200
Morningstar Style Box	Mid Cap Blend

FUND PERFORMANCE As of 12/31/2022

	Fund	NZX 50 ³	AAOI ⁴
3 months	-9.36	-8.21	-5.54
YTD	-28.04	-21.30	-20.13
1 year	-21.30	-31.78	-17.28
5 years	0.22	1.71	4.24
10 years	2.99	6.96	8.10

Performance data represents past performance and assumes reinvestment of dividends and capital gains. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Visit commonwealthfunds.com or call us at 888.345.1898 for performance data current to the most recent month-end. Past performance does not guarantee future results. Diversification does not guarantee a profit nor guarantee against a loss.

BOTTOM-UP STOCK SELECTION: Management seeks to invest in real companies and real products with understandable fundamental financials, and considers stocks in bonds across all sectors and market capitalizations.

LONG-TERM VIEW: The Fund seeks to build shareholder wealth by owning high quality companies over long periods of time.

EXCLUSIVITY: The Fund is virtually the only means for U.S. investors to invest in Australia and New Zealand securities through active professional management.

MANAGEMENT EXPERIENCE: Selected investments are the result of an extensive team effort led by Robert Scharar, with over 40 years of international investment experience.

RELATIVELY SMALL NUMBER OF HOLDINGS: Within a well-constructed diversified portfolio, companies believed to be deserving of the portfolio manager's confidence are emphasized.

LOW TURNOVER: The Fund management's long-term investment commitments historically result in low turnover of the Fund's portfolio; the Fund has a 5-year average of 15.4%.

NO LOAD FUND & LOW INITIAL INVESTMENT MINIMUMS: The minimum initial investment is \$200 and there is no minimum for subsequent investments.

TOP SECTORS¹

Transportation	30.0
Utilities	13.0
Health Care Equipment & Services	12.2
Pharmaceuticals, Biotechnology & Life Sciences	7.0
Food & Staples Retailing	5.0
Consumer Services	4.3
Commercial & Professional Services	4.3
Capital Goods	4.2
Retailing	3.9
Cash	3.5

PORTFOLIO STATISTICS

Net Assets	\$13.70 million
Number of Holdings	42
Portfolio Turnover	20%
Gross Expense Ratio	2.41%

COUNTRY ALLOCATIONS²

New Zealand	64.8
Australia	34.4
United States	0.7

ASSET ALLOCATION²

Stocks	96.5
Bonds	0.0
Cash & Other	3.5

Holdings and portfolio allocations as of report date, ¹Sector/ Industry calculated as a percentage of total equity investments; ²Top 10 Holdings and Country and Asset Allocation calculated as a percentage of total investments. ³NZX 50: is a total return index consisting of the top 50 companies by free float adjusted market capitalization listed on the New Zealand Stock Exchange. Index returns, expressed in U.S. Dollars, assume reinvestment of dividends, and unlike Fund returns do not reflect fees or expenses. ⁴AAOI: The Australia All Ordinaries Index is comprised of the largest 500 companies as measured by market capitalization listed on the Australian Stock Exchange and is considered to be reflective of the total Australian equity market. It is not possible to invest directly in these indices.

You should consider the Fund's investment objectives, risks, charges and expenses carefully before investing. For a prospectus, that contains this and other information about the Fund, call 888-345-1898 or visit our website at www.commonwealthfunds.com. Please read the prospectus carefully before investing.



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TOP 10 HOLDINGS²

55.0% of total net assets

South Port New Zealand, Ltd.	New Zealand	13.3
Infratil, Ltd.	New Zealand	8.4
Mainfreight, Ltd.	New Zealand	6.3
Freightways, Ltd.	New Zealand	4.6
Sonic Healthcare, Ltd.	Australia	3.9
Briscoe Group, Ltd.	New Zealand	3.9
Coles Group, Ltd.	Australia	3.8
Skellerup Holdings, Ltd.	New Zealand	3.7
CSL, Ltd.	Australia	3.6
Ikegps Group, Ltd.	New Zealand	3.5

RISK MEASURES (for trailing five years)

Alpha	-0.28	Standard Deviation	20.7
Beta	0.96	Sharpe Ratio	0.1
R2	0.86		

ALPHA is a measure of the portfolio's risk-adjusted performance. When compared to the portfolio's beta, a positive alpha indicates better than expected performance; a negative alpha indicates a worse than expected performance.

BETA is a measure of the volatility of the portfolio relative to the overall market. A beta of under 1.00 indicates lower risk than the market; a beta greater than 1.0 indicates higher risk than the market.

R2 represents the percentage of the portfolio's movements that can be explained by the general movements of the market. Index portfolios will tend to have R2 values close to 1.00.

STANDARD DEVIATION is an indicator of the Fund's total return volatility, based on the last 60 monthly returns. The larger the standard deviation, the greater the Fund's volatility.

SHARPE RATIO uses standard deviation to measure a fund's risk-adjusted returns. The higher a fund's Sharpe Ratio, the better the fund's returns have been relative to the risk it has taken.

THE COMMONWEALTH FAMILY OF FUNDS

Commonwealth Funds offers five global and country-specific funds:

- Africa Fund
- Australia/New Zealand Fund
- Global Fund
- Japan Fund
- Real Estate Securities Fund

ROBERT SCHARAR

President of Commonwealth Funds
Head Portfolio Manager

Mr. Scharar is primarily responsible for the management of the portfolios for the Australia/New Zealand Fund, the Africa Fund, the Japan Fund, the Global Fund and the Real Estate Securities Fund. Additionally, Mr. Scharar is President and Director of FCA Corp and has primarily worked in this capacity since 1975.

Mr. Scharar received his AA degree from Polk Community College in 1968 and his BS in Accounting from the University of Florida in 1970. He received his MBA and JD from Northeastern University in 1971 and 1974, respectively. Mr. Scharar also received his LLM in Taxation from Boston University Law School in 1979. Mr. Scharar is a member of the Florida and Massachusetts Bars, and is a Certified Public Accountant.

WESLEY YUHNKE

Chief Investment Officer

Mr. Yuhnke is currently serving as the Chief Investment Officer of FCA Corp and as an Assistant Portfolio Manager for Commonwealth's Australia/New Zealand, Africa, Japan, Global and Real Estate Securities Funds. He joined FCA Corp in May 2002 and was appointed Assistant Portfolio Manager in August 2002.

Prior to joining FCA Corp, Mr. Yuhnke received his Bachelor of Business Administration in Finance from Stephen F. Austin State University. He earned his Masters of Business Administration from Texas Tech University.

International investing may involve additional risks, such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation. Investments in emerging markets involve even greater risks. Focus on a single country involves higher risk than a more geographically diverse international fund. Exposure to companies engaged in the natural resource and commodities markets may increase volatility. Small cap stocks are more susceptible to market volatility than larger cap stocks. The size of the fund's asset base may cause higher expenses which will detract from the fund's performance.

The return of principal in a bond investment is not guaranteed. Mutual funds have the same issuer, interest rate, inflation and credit risks that are associated with underlying bonds owned by the fund. Derivatives are more volatile than other investments due to liquidity risks, default risk and imperfect correlation risks and could lose more than the principal amount invested. The Fund may invest in open-end funds, closed-end funds, and exchange-traded funds ("ETFs") which will increase funds expenses.

Portfolio holdings will change due to ongoing management of the Fund. Reference to specific securities or sectors should not be construed as recommendations by the Fund, the Advisor or the Distributor. Current and future portfolio holdings are subject to risk.

Commonwealth International Series Trust, c/o Ultimus Fund Solutions, LLC, 225 Pictoria Drive, Suite 450, Cincinnati, OH 45246. The Funds are distributed by Ultimus Fund Distributors, LLC. FCA Corp, Investment Advisor, 791 Town & Country Boulevard, Suite 250, Houston, TX 77024-3925.

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