

**Commonwealth International
Series Trust**

791 Town & Country Blvd, Suite 250
Houston, TX 77024-3925
888-345-1898
www.commonwealthfunds.com

INVESTMENT ADVISOR

FCA Corp
791 Town & Country Blvd, Suite 250
Houston, TX 77024-3925
713-781-2856

DISTRIBUTOR

UMB Distribution Services, LLC
803 West Michigan Street
Milwaukee, WI 53233

TRANSFER AGENT & ADMINISTRATOR

UMB Fund Services, Inc.
803 West Michigan Street
Milwaukee, WI 53233

CUSTODIAN BANK

Fifth Third Bank
Fifth Third Center
38 Fountain Square Plaza
Cincinnati, OH 45263

**INDEPENDENT REGISTERED PUBLIC
ACCOUNTING FIRM**

BBD, LLP
1835 Market Street, 26th Floor
Philadelphia, PA 19103

LEGAL COUNSEL

The Law Offices of John H. Lively & Associates, Inc.
A member firm of the 1940 Act Law GroupTM
11300 Tomahawk Creek Parkway, Ste. 310
Leawood, KS 66211

This report is intended for the shareholders of the family of funds of the Commonwealth International Series Trust. It may not be distributed to prospective investors unless it is preceded or accompanied by the Funds' current Prospectus. An additional Prospectus may be obtained at www.commonwealthfunds.com or from the principal underwriter of the Funds or your broker.



**Commonwealth Australia/New Zealand Fund
Africa Fund
Commonwealth Japan Fund
Commonwealth Global Fund
Commonwealth Real Estate Securities Fund**

ANNUAL REPORT

October 31, 2012

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791 Town & Country Blvd, Suite 250, Houston, TX 77024-3925
888.345.1898

Commonwealth Australia/New Zealand Fund (CNZLX)
Africa Fund (CAFRX)
Commonwealth Japan Fund (CNJFX)
Commonwealth Global Fund (CNG LX)
Commonwealth Real Estate Securities Fund (CNREX)
www.commonwealthfunds.com

October 31, 2012

Dear Fellow Shareholders:

America and the world continue to work through some of the greatest changes society has experienced during what could be called “times of relative peace.” Governments from all nations are challenged from the outside as well as from within by political, religious and economic forces driven and supported by individual desires many of which may not be advantageous for the whole.

The Founding Fathers of our nation are deserving of great credit for their foresight. Even though they understood there would be differences in those who would have varying confidence in the character and judgment of their fellow citizens, they put in place processes and procedures whereby constructive change could be accomplished through a constitutional process if the long term majority of the people believed in the change sufficient enough to execute the procedures required for change. Irving Kristol stated that the early citizens believed in “public spiritedness...a system of habits and attitudes that would check egotism and self-indulgence.” The result was a system of checks and balances we enjoy and rely upon today which requires we maintain a Constitutional Democracy in its greatest form.

As the management of the Commonwealth International Series Trust surveys the various markets of the world, the challenges of whether or not the peoples and the governments are able to in reality govern is of paramount importance. What changes are being sought? What are the driving forces behind the changes? How did the country get into the current respective position and what will be done to prevent history from repeating itself?

With over 30 years of international investing experience, FCA Corp has the basic intellectual comforts undergirding the investment processes for the various portfolios of the Commonwealth International Series Trust. There is no substitute for lessons learned through experience.

It is from this base that the Commonwealth International Series Trust expanded into the continent of Africa introducing the new Africa Fund, which has an inception date of November 7, 2011. With the Australia/New Zealand, Japan, Global, Real Estate and now the Africa Funds, we feel the Commonwealth International Series Trust provides a broad approach to accessing many of the world’s markets. We believe that the market exposure provided by the mutual funds comprising the Commonwealth International Series Trust provides our shareholders the opportunities to participate in the economic recoveries that will take place on a global basis.

The following individual reports on each of the mutual funds in the Commonwealth International Series Trust are very important and we ask you to review them thoroughly.

In closing, as we reflect on our twenty-first year as the investment advisor to the Trust, we would like to take this opportunity to thank you for your support and continued interest in our family of funds. We truly value our shareholders. If you have any questions, please feel free to contact us.



Robert W. Scharar
President and Portfolio Manager
Commonwealth International Series Trust



Wesley R. Yuhnke
Assistant Portfolio Manager
Commonwealth International Series Trust



Ronald Manning
Assistant Portfolio Manager
Commonwealth International Series Trust

The views in the above discussion, along with discussion included under the “Performance Overview” for each Fund below, were those of the Funds’ investment advisor as of the date set forth above and may not reflect its views on the date this annual report is first published or anytime thereafter. These views are intended to assist shareholders in understanding their investment in the Funds and the performance of the Funds during the period covered by this report and do not constitute investment advice.

THE PERFORMANCE INFORMATION QUOTED IN THIS ANNUAL REPORT REPRESENTS PAST PERFORMANCE AND PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. INVESTMENT RETURN AND PRINCIPAL VALUE OF AN INVESTMENT 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 DATA QUOTED. AN INVESTOR SHOULD CONSIDER THE FUND’S INVESTMENT OBJECTIVES, RISKS, AND CHARGES AND EXPENSES CAREFULLY BEFORE INVESTING. THE FUND’S PROSPECTUS CONTAINS THIS AND OTHER IMPORTANT INFORMATION. FOR INFORMATION ON THE FUND’S EXPENSE RATIO, PLEASE SEE THE FINANCIAL HIGHLIGHTS TABLE FOUND WITHIN THIS REPORT. TO OBTAIN A PROSPECTUS AND OTHER INFORMATION ABOUT THE FUNDS, PLEASE VISIT WWW.COMMONWEALTHFUNDS.COM OR CALL 888-345-1898. PLEASE READ THE PROSPECTUS CAREFULLY BEFORE INVESTING.

Questions and Answers

To help shareholders better understand key attributes of the mutual funds (each a “Fund” and collectively the “Funds”) comprising the Commonwealth International Series Trust and their operations, the following Question and Answer section is provided.

Who is the advisor?

The Funds’ investment advisor is FCA Corp (“FCA”). FCA is an investment advisor that is registered with the U.S. Securities and Exchange Commission and has its principle place of business located at 791 Town & Country Blvd., Suite 250, Houston, Texas 77024-3925. The firm was founded 38 years ago and maintains a global perspective on the equity and fixed income marketplaces.

Why do our Funds include shares of foreign companies?

The Funds invest in companies outside the United States because FCA believes there are significant investment opportunities in select foreign markets. FCA also believe U.S. investors benefit from the diversification that having investments outside the United States can provide. International investing offers exposure to more companies and other nations’ economies. In 2012, over 50% of the value of global equity markets was outside the United States, and the growth experienced by many of these foreign economies appeared to be attractive. FCA believes that for a U.S. investor, allocation of a portion of the investor’s portfolio to international securities can provide the potential for less risk and can achieve a more consistent long-term performance in the investor’s overall portfolio.¹

How has international investing changed over the last decade?

International markets now comprise a significant portion of all equity value worldwide. As markets have blended through global commerce, capital has flowed from country to country following investment opportunities. Developed markets and emerging markets both require capital investments to provide the goods and services of their respective needs. During the last two decades in particular, statistical information has become more uniform thus more dependable. The trend appears to be in place for continued development of these distant countries and their markets long term. Their demand for investment capital continues as they provide opportunities for diversification and growth. The Funds seek to be participants in these developments. The challenge continues to be one of positioning portfolios for growth while seeking to protect against negative trends that might develop.

What are some of the factors influencing a Fund’s portfolio turnover?

Each Fund generally invests in equity securities with a long-term view and in debt securities to be held to maturity. The Funds’ portfolio securities are evaluated on their long-term prospects. A particular Fund may experience higher or lower turnover ratios in certain years. Factors influencing portfolio turnover include, but are not limited to the following: rebalancing portfolio securities to take advantage of long-term opportunities and/or to reallocate between fixed income and equity securities; investing new subscriptions; or selling securities to cover redemptions. Higher levels of portfolio activity by a Fund may result in higher transaction costs and/or more realized gains or losses, the impact of which is borne by the Fund’s shareholders. The turnover of a portfolio is not predictable because managers do not know when the portfolio transactions will be dictated. Under most circumstances, it is desirable to limit transactions because of the costs associated with trading although these are generally not the determining factor.

¹ Investing in international markets may involve additional risks, such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation.

We advise you to consider each Fund’s objectives, risks, charges and expenses carefully before investing in that Fund. The Prospectus contains information about those and other important matters relating to the Funds. Please read the Prospectus carefully before you invest.

How can the size of the Fund impact the Fund's expense ratio?

The primary objective of investment management is to seek a reasonable return in keeping with the risks assumed. Obtaining this objective in global portfolios is historically more expensive than the costs associated with managing a portfolio comprised of domestic securities. Research of foreign markets, trading in different currencies, custody of assets, accurate evaluations of holdings and generally overall communications are all known to be more expensive when managing foreign portfolios. As with almost every mutual fund, size has an impact on the expense ratio of Funds. Typically, larger mutual funds can have lower expense ratios as there is an increased opportunity to spread out fixed and partially-fixed costs necessary to operate such mutual funds over a larger asset base. Generally, mutual fund expenses, including those of the Funds, are allocated on a daily basis among all shareholders. In addition, as a portfolio grows, it is self-evident that fixed costs as a percentage of the assets managed generally decline. In newer portfolios or in highly specific investment objective portfolios, higher costs can be experienced during time periods of asset growth. The Financial Highlights section of the accompanying financial statements provides supplemental data that includes current and historic expense information.

PERFORMANCE OVERVIEW – October 31, 2012 (Unaudited)

COMMONWEALTH AUSTRALIA/NEW ZEALAND FUND

The Commonwealth Australia/New Zealand Fund's net asset value (NAV) as of October 31, 2012 was \$12.05 per share compared to \$10.76 per share on October 31, 2011. For the twelve month period covered by this Annual Report, the Commonwealth Australia/New Zealand Fund returned 13.31%. This return figure also reflects the 11.65 cents per share distribution made in December 2011.

In presenting comparative performance numbers on the Fund versus indexes to which it might be compared, it is important to note that we do not make investments that attempt to track any index. Rather, we invest based on fundamental research. Comparisons to indexes, which are not fundamentally based, may not appear as reasonable as we would prefer. We also invest a portion of the Fund's assets in fixed income investments and acknowledge this process may mitigate some meaningful comparisons to indexes that do not incorporate such investments. In an attempt to present what some sectors of the marketplace returned, we provide three indexes for consideration. During the twelve-month period, the New Zealand SmallCap Index¹ returned 38.50%, the NZX 50 Index¹ returned 20.22% and the Australian All Ordinaries Index¹ returned 8.63%. These indexes do not include any fixed income instruments. Additionally, the indexes are unmanaged, they are expressed in terms of U.S. dollars and they do not reflect the deduction of fees or taxes associated with a mutual fund such as investment management and fund accounting fees. The performance of the Fund reflects the deduction of fees for these services. Investors cannot directly invest in an index.

Keep in mind, the long term goal of owning the Australia/New Zealand Fund is to benefit from the ownership of companies domiciled and operating in both of these fine countries. Therefore, in order to appropriately benefit, both countries must be continuously represented in ownership. History shows that the returns of the respective marketplaces can vary significantly from one another. It is rare moment that both countries perform similarly. Nonetheless, the overriding goal of long term diversified ownership must be maintained.

There are other considerations as well. As examples, the 1.7 percent appreciation of the New Zealand dollar versus the U.S. dollar positively impacted the Fund's return during the year, while the 1.5 percent decline of the Australian dollar had a negative effect. When measured in the respective local currency, New Zealand equities outperformed Australian equities. New Zealand small-cap equities generally outperformed relative to large-cap equities. Due to the allocation of the Fund's assets to the small-cap area, which performed well, the Fund's performance was positively impacted.

The Fund's New Zealand holdings within the commercial services and transportation industries (particularly in the shipping and handling of goods through the port facilities) positively impacted the Fund's performance.* Healthcare related investments in both Australia and New Zealand were solid contributors to the Fund's overall performance as well.

Conversely, investments in the historically vibrant Australian energy and related commodity companies negatively impacted the Fund's performance for the time period measured.

The Fund's investments in fixed income (6.3% of total investments) is designed to provide a degree of stability while providing a modest income. During the period, these fixed income instruments underperformed relative to the equity investment portion of the portfolio.

Investment Risks

Equity securities (stocks) are more volatile and carry more risk than other forms of investments, including high-grade fixed income securities. The net asset values per share of a Fund will fluctuate as the value of these securities in the portfolio changes.

The Fund's investments in debt and/or fixed income securities also contain risk factors. The value of these securities tends to fluctuate inversely with changes in interest rates. Changes in an issuer's financial strength or creditworthiness also can affect the value of the securities it issues. Convertible and preferred stocks, which have some characteristics of both equity and fixed income securities, also contain, to varying degrees depending on their structure, the associated risks of each.

The Fund's expenses, as with any mutual fund, detract from the Fund's performance. The Fund's asset levels have a direct effect on the expense indirectly paid by shareholders. To the extent the Fund's assets decline and the expenses of the Fund rise or do not decrease proportionately, performance will be negatively impacted.

International investing involves increased risk and volatility. An investment in this Fund entails the special risks of international investing, including currency exchange fluctuation, government regulations, and the potential for political and economic instability. Because the Fund invests primarily in the securities of, and depository receipts represented by Australian and New Zealand issuers, the Fund is particularly susceptible to any economic, political, or regulatory developments affecting a particular issuer of those countries.

By itself the Fund does not constitute a complete investment plan and should be considered a long-term investment for investors who can afford to weather change in the value of their investments.

Investors should refer to the Fund's Prospectus for a more complete description of risks associated with investing in and of the Fund.

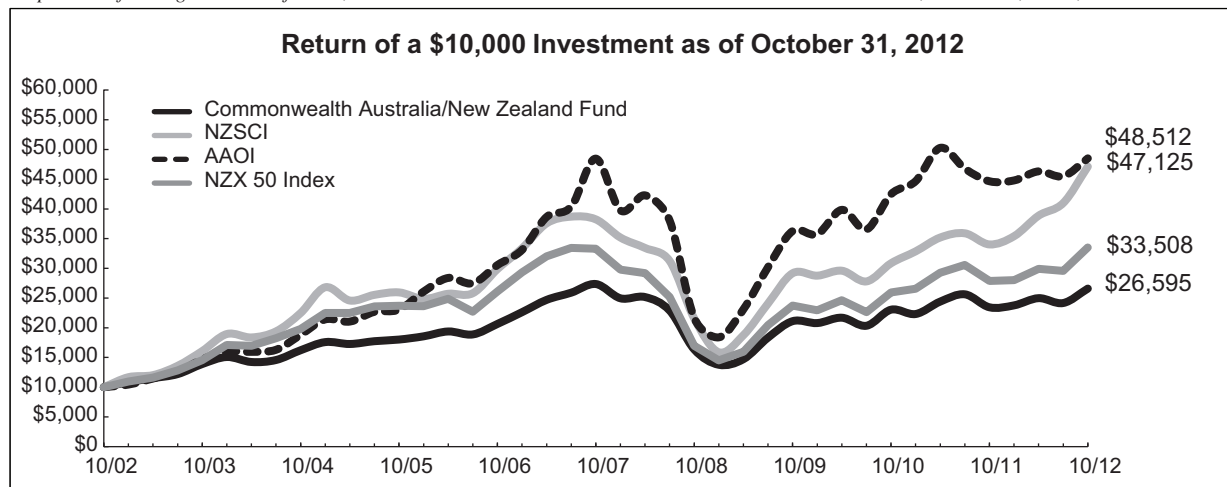
* Portfolio holdings will change due to ongoing management of the Funds. References to specific securities or sectors should not be construed as recommendations by the Trust, the Advisor or the Distributor.

¹ For additional information, please refer to the Glossary of Terms following the Performance Overview section.

PERFORMANCE OVERVIEW – October 31, 2012 (Unaudited)

COMMONWEALTH AUSTRALIA/NEW ZEALAND FUND

Comparison of Change in Value of a \$10,000 Investment in the Commonwealth Australia/New Zealand Fund, the NZSCI, AAOI, and NZX 50 Index.



The above graph is a hypothetical \$10,000 investment in the Commonwealth Australia/New Zealand Fund from 10/31/02 to 10/31/12, and represents the reinvestment of dividends and distributions in the Fund.

| | Average Annual Total Return as of September 30, 2012 | | | Average Annual Total Return as of October 31, 2012 | | | Total Fund Operating Expense Ratio ¹ |
|--|---|--------|---------|---|--------|---------|--|
| | 1 Year | 5 Year | 10 Year | 1 Year | 5 Year | 10 Year | |
| Commonwealth Australia/New Zealand Fund | 24.06% | 0.32% | 10.68% | 13.31% | -0.57% | 10.28% | 3.08% |
| New Zealand SmallCap Index (“NZSCI”) | 55.28% | 4.63% | 16.99% | 38.50% | 4.27% | 16.77% | — |
| Australian All Ordinaries Index (“AAOI”) | 23.32% | 0.95% | 17.33% | 8.63% | 0.02% | 17.11% | — |
| NZX 50 Index | 24.33% | -0.29% | 13.25% | 20.22% | 0.12% | 12.85% | — |

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The above graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The investment return and principal value will fluctuate so that an investor’s shares, when redeemed may be worth more or less than the original cost. To obtain performance information current to the most recent month end, please call 888-345-1898.

¹ The above expense ratio is from the Fund’s Prospectus dated February 28, 2012. Additional information pertaining to the Fund’s expense ratios as of October 31, 2012 can be found in the financial highlights. Excluding the indirect costs of investing in acquired funds, total Fund operating expenses would be 3.08%.

The Fund’s performance is measured against the NZSCI, a capitalization-weighted index of all New Zealand equities, excluding those in the NZX 50 Index, is considered to be reflective of the performance of the New Zealand small-cap equity market; the AAOI, an index made up of the largest 500 companies as measured by market capitalization that are listed on the Australian Stock Exchange; and the NZX 50 Index, a total return index consisting of the top 50 companies by free float adjusted market capitalization that are listed on the New Zealand Stock Exchange. These indices are unmanaged, are expressed in terms of U.S. dollars, and do not reflect the deduction of fees or taxes with a mutual fund, such as investment management and fund accounting fees. The performance of the Fund reflects the deduction of fees for these services. Investors cannot invest directly in an index.

You should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. This and other information can be found in the Fund’s Prospectus, which can be obtained from www.commonwealthfunds.com, by calling the Funds directly at 888-345-1898 or by contracting your investment representative. Please read it carefully before you invest or send money.

The Commonwealth Australia/New Zealand Fund was formerly known as Capstone New Zealand (2000) and subsequently the Commonwealth New Zealand Fund (2001).

PERFORMANCE OVERVIEW – October 31, 2012 (Unaudited)

AFRICA FUND

The Africa Fund's net asset value (NAV) as of October 31, 2012 was \$10.23 per share compared to \$10.00 per share on November 7, 2011, the inception date of the Africa Fund. For the period covered by this Annual Report, the Africa Fund posted a 2.30% cumulative total return. Our investments do not attempt to track any indexes, but rather we undertake investments on the basis of fundamental research. Comparisons to indexes, which are not fundamentally based, may not appear as reasonable as we would prefer. We also invest a portion of the Fund's assets in fixed income investments and acknowledge this process may mitigate some meaningful comparisons to indexes that do not incorporate such investments. The MSCI Emerging Markets Index¹ and the Dow Jones Africa Titans 50 Index¹, returned 3.16% and 11.80%, respectively for the same period. These indexes do not include any fixed income instruments. Additionally, indexes are unmanaged, expressed in terms of U.S. dollars and do not reflect the deduction of fees or taxes associated with a mutual fund such as investment management and fund accounting fees. The performance of the Fund reflects the deduction of fees for these services. Investors cannot invest directly in an index.

The Fund's inception date is November 7, 2011. As in any investment portfolio that begins anew, the timing of commitments to the investment can have an effect on near term performance. A larger cash allocation during the last three-months of the fiscal-year resulted in a relative underperformance against the Dow Jones Africa Titans 50 Index. Domestic developments in South Africa in the forms of labor unrest, credit ratings downgrades, and a widening in the current account deficit, were among some of the factors for a lower exchange rate versus the U.S. dollar which negatively impacted the Fund's performance during the period. The Fund's investments in financial companies, including Capitec Bank Holdings*, Discovery Holdings* and PSG Group*, negatively impacted performance, whereas investments in the consumer staples, consumer discretionary and telecommunication sectors positively impacted the Fund's performance.

For the period ended October 31, 2012, FCA Corp., the investment advisor to the Fund, chose to voluntarily reimburse fund expenses beyond its contractual agreement in the amount of \$49,962, which is not subject to recoupment. Please see accompanying notes to the financial statements for additional information.

Africa represents a unique, complicated continent with potential to be both economically rewarding and punitive. We feel equities listed on African stock exchanges offer investors a way to participate in what is expected to be sizeable growth in the consumer consumption of goods and services and the economies in general. The journey has now begun in earnest and we are dedicated to the tasks at hand. It takes time for governments to change and for the people of an emerging country to adjust. With the vast number of countries within the African continent, it is an exciting yet daunting task. Our portfolio selection includes using information we gather first hand through trips to the continent as we seek to monitor each investment and to make decisions we view as being in the best interests of the Fund. Because many investors in America share our vision for the continent and have a desire to be informed beyond just financial aspects, we have constructed our web site's Africa section to provide a variety of information in response to this, and invite you to visit the Fund's website.

Investment Risks

Equity securities (stocks) are more volatile and carry more risk than other forms of investments, including high-grade fixed income securities. The net asset values per share of a fund will fluctuate as the value of these securities in the portfolio changes.

The Fund's investments in debt and/or fixed income securities also contain risk factors. The value of these securities tends to fluctuate inversely with changes in interest rates. Changes in an issuer's financial strength or creditworthiness also can affect the value of the securities it issues. Convertible and preferred stocks, which have some characteristics of both equity and fixed income securities, also contain, to varying degrees depending on their structure, the associated risks of each.

The Fund's expenses, as with any mutual fund, detract from the Fund's performance. The Fund's asset levels have a direct effect on the expense indirectly paid by shareholders. To the extent the Fund's assets decline and the expenses of the Fund rise or do not decrease proportionately, performance will be negatively impacted.

International investing involves increased risk and volatility. An investment in this Fund entails the special risks of international investing, including currency exchange fluctuation, government regulations, and the potential for political and economic instability. Because the Fund invests primarily in the securities of, and depositary receipts represented by African issuers, the Fund is particularly susceptible to any economic, political, or regulatory developments affecting a particular issuer of that country.

By itself the Fund does not constitute a complete investment plan and should be considered a long-term investment for investors who can afford to weather change in the value of their investments.

Investors should refer to the Fund's Prospectus for a more complete description of risks associated with investing in and of the Fund.

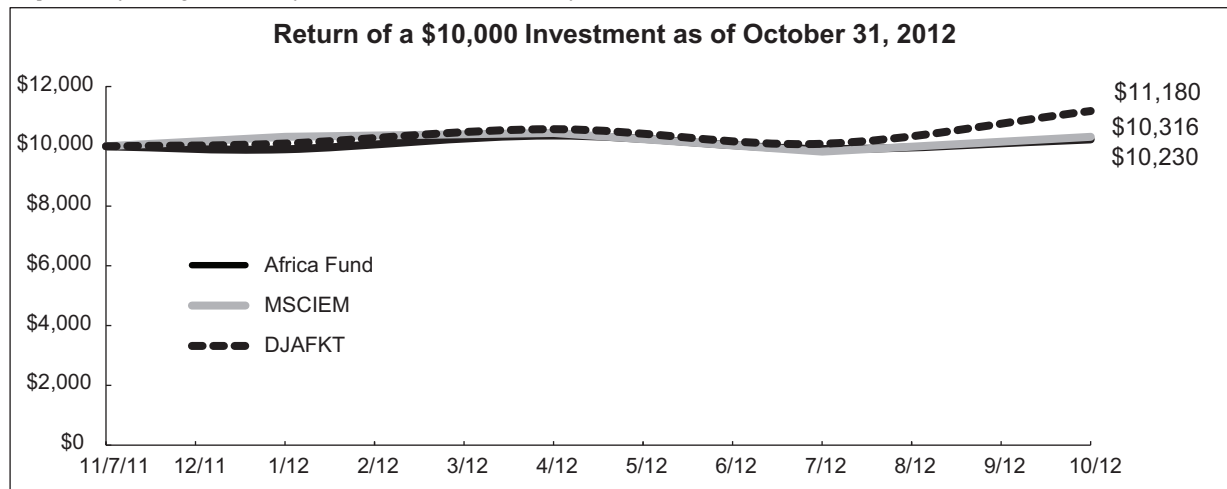
* Portfolio holdings will change due to ongoing management of the Funds. References to specific securities or sectors should not be construed as recommendations by the Trust, the Advisor or the Distributor.

¹ For additional information, please refer to the Glossary of Terms following the Performance Overview section.

PERFORMANCE OVERVIEW – October 31, 2012 (Unaudited)

AFRICA FUND

Comparison of Change in Value of a \$10,000 Investment in the Africa Fund, the MSCIEM and DJAFKT.



The above graph is a hypothetical \$10,000 investment in the Africa Fund from 11/07/11 (inception) to 10/31/12.

| | Cumulative Total Return as of September 30, 2012 | Cumulative Total Return as of October 31, 2012 | Total Fund Operating Expense Ratio ¹ | Total Fund Operating Expense After Fee Waiver Ratio ¹ |
|---|---|---|--|--|
| | Inception (11/07/11) | Inception (11/07/11) | | |
| Africa Fund | 5.00% | 2.30% | 4.86% | 3.61% |
| MSCI Emerging Markets Index (“MSCIEM”) | 3.79% | 3.16% | — | — |
| Dow Jones Africa Titans 50 Index (“DJAFKT”) | 12.35% | 11.80% | — | — |

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The above graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The investment return and principal value will fluctuate so that an investor’s shares, when redeemed may be worth more or less than the original cost. To obtain performance information current to the most recent month end, please call 888-345-1898.

¹ The above expense ratios are from the Fund’s Prospectus dated February 28, 2012. FCA Corp has contractually agreed to waive the Management Fee of 1.25% through February 28, 2014. Please see Note 4 of the Notes to Financial Statements. Additional information pertaining to the Fund’s expense ratios as of October 31, 2012 can be found in the financial highlights.

The Fund’s performance is measured against the MSCIEM, a free float-adjusted market capitalization index that is designed to measure equity market performance within global emerging markets; the DJAFKT, a float-adjusted market capitalization index that is designed to measure the stock performance of 50 leading companies that are headquartered or generate the majority of their revenues in Africa. The Emerging Markets Index currently consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey. These indices are unmanaged, are expressed in terms of U.S. dollars, and do not reflect the deduction of fees or taxes with a mutual fund, such as investment management and fund accounting fees. The performance of the Fund reflects the deduction of fees for these services. Investors cannot invest directly in an index.

You should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. This and other information can be found in the Fund’s Prospectus, which can be obtained from www.commonwealthfunds.com, by calling the Funds directly at 888-345-1898 or by contracting your investment representative. Please read it carefully before you invest or send money.

PERFORMANCE OVERVIEW – October 31, 2012 (Unaudited)

COMMONWEALTH JAPAN FUND

The Commonwealth Japan Fund's net asset value (NAV) as of October 31, 2012 was \$2.54 per share compared to \$2.70 per share on October 31, 2011. For the twelve month period covered by this Annual Report, the Commonwealth Japan Fund returned -5.93%. Our investments do not attempt to track any index, but rather we undertake investments on the basis of fundamental research. Comparisons to indexes, which are not fundamentally based, may not appear as reasonable as we would prefer. We also invest a portion of the Fund's assets in fixed income investments and acknowledge this process may mitigate some meaningful comparisons to indexes that do not incorporate such investments. The Tokyo Stock Price Index¹ returned -3.10% for the same period. The index does not include any fixed income instruments. Additionally, the index is unmanaged, it is expressed in terms of U.S. dollars and it does not reflect the deduction of fees or taxes associated with a mutual fund such as investment management and fund accounting fees. The performance of the Fund reflects the deduction of fees for these services. Investors cannot invest directly in an index.

After a relatively strong first half of 2012, the Japanese economy is expected to report a contraction in the second half of the year owing to weak demand in Europe and the United States. Japanese exports have shown a marked decline in the third-quarter of 2012 preceded by a rapid increase during the second quarter of 2012. Industrial production has also decreased for two consecutive quarters as overseas' economies have moved deeper into a deceleration phase. Japanese exports to the European Union have been declining for several consecutive quarters and those to China have recently shown a noticeable decline as well. The Fund's performance therefore was negatively impacted by its holdings in those companies with a larger proportion of revenue derived from export markets. There were exceptions such as maritime shipping companies doing poorly while some domestic rail companies did well.*

In contrast, domestic demand has been relatively firm on the whole until recently, mainly against the background of an increase in demand due to reconstruction following the March 11, 2011 Great East Japan Earthquake. The Fund's performance was positively impacted by its holdings in companies with a larger proportion of revenue derived from the domestic economy including rail-road, banking, insurance and consumer staples companies.

Investment Risks

Equity securities (stocks) are more volatile and carry more risk than other forms of investments, including high-grade fixed income securities. The net asset values per share of a Fund will fluctuate as the value of these securities in the portfolio changes.

The Fund's investments in debt and/or fixed income securities also contain risk factors. The value of these securities tends to fluctuate inversely with changes in interest rates. Changes in an issuer's financial strength or creditworthiness also can affect the value of the securities it issues. Convertible and preferred stocks, which have some characteristics of both equity and fixed income securities, also contain, to varying degrees depending on their structure, the associated risks of each.

The Fund's expenses, as with any mutual fund, detract from the Fund's performance. The Fund's asset levels have a direct effect on the expense indirectly paid by shareholders. To the extent the Fund's assets decline and the expenses of the Fund rise or do not decrease proportionately, performance will be negatively impacted.

International investing involves increased risk and volatility. An investment in this Fund entails the special risks of international investing, including currency exchange fluctuation, government regulations, and the potential for political and economic instability. Because the Fund invests primarily in the securities of, and depository receipts represented by Japan issuers, the Fund is particularly susceptible to any economic, political, or regulatory developments affecting a particular issuer of that country.

By itself the Fund does not constitute a complete investment plan and should be considered a long-term investment for investors who can afford to weather change in the value of their investments.

Investors should refer to the Fund's Prospectus for a more complete description of risks associated with investing in and of the Fund.

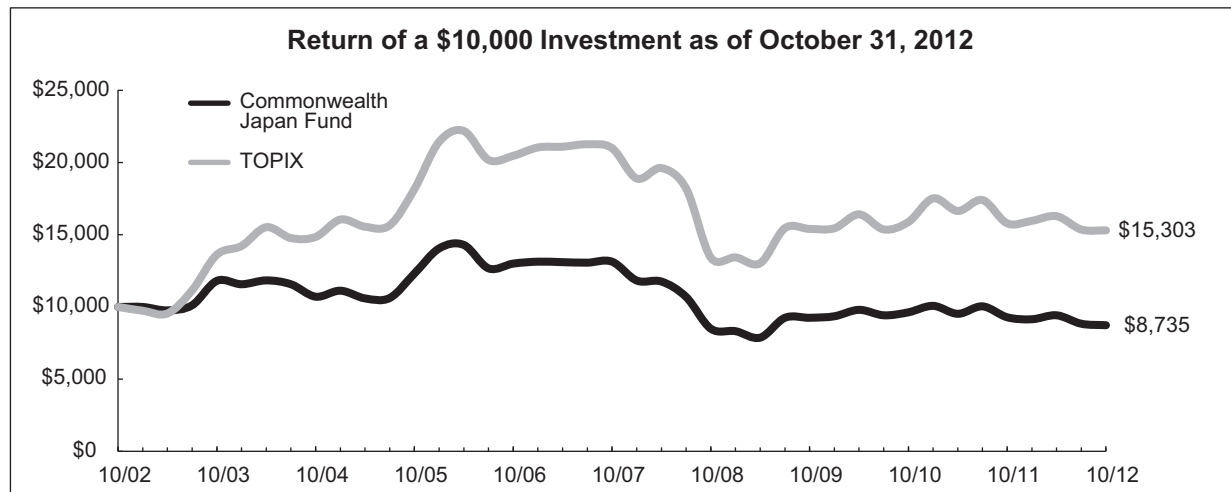
* Portfolio holdings will change due to ongoing management of the Funds. References to specific securities or sectors should not be construed as recommendations by the Trust, the Advisor or the Distributor.

¹ For additional information, please refer to the Glossary of Terms following the Performance Overview section.

PERFORMANCE OVERVIEW – October 31, 2012 (Unaudited)

COMMONWEALTH JAPAN FUND

Comparison of Change in Value of a \$10,000 Investment in the Commonwealth Japan Fund and the TOPIX Index.



The above graph is a hypothetical \$10,000 investment in the Commonwealth Japan Fund from 10/31/02 to 10/31/12, and represents the reinvestment of dividends and distributions in the Fund.

| | Average Annual Total Return as of September 30, 2012 | | | Average Annual Total Return as of October 31, 2012 | | | Total Fund Operating Expense Ratio ¹ |
|-----------------------------------|---|--------|---------|---|--------|---------|--|
| | 1 Year | 5 Year | 10 Year | 1 Year | 5 Year | 10 Year | |
| Commonwealth Japan Fund | -6.88% | -7.33% | -1.66% | -5.93% | -7.84% | -1.34% | 3.94% |
| Tokyo Stock Price Index (“TOPIX”) | -2.00% | -5.82% | 3.77% | -3.10% | -6.13% | 4.35% | — |

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The above graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The investment return and principal value will fluctuate so that an investor’s shares, when redeemed may be worth more or less than the original cost. To obtain performance information current to the most recent month end, please call 888-345-1898.

¹ The above expense ratio is from the Fund’s Prospectus dated February 28, 2012. Additional information pertaining to the Fund’s expense ratios as of October 31, 2012 can be found in the financial highlights. Excluding the indirect costs of investing in acquired funds, total Fund operating expenses would be 3.91%.

The Fund’s performance is measured against the TOPIX, an unmanaged capitalization-weighted index of all the common stocks on the First Selection of the Tokyo Stock Exchange. This index is expressed in terms of U.S. dollars, and does not reflect the deduction of fees or taxes with a mutual fund, such as investment management and fund accounting fees. The performance of the Fund reflects the deduction of fees for these services. Investors cannot invest directly in an index.

You should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. This and other information can be found in the Fund’s Prospectus, which can be obtained from www.commonwealthfunds.com, by calling the Funds directly at 888-345-1898 or by contracting your investment representative. Please read it carefully before you invest or send money.

The Commonwealth Japan Fund was formerly known as the Capstone Japan Fund (2000), established as a series of the Trust on July 10, 1989 under the name of the Capstone Nikko Japan Tilt Fund.

PERFORMANCE OVERVIEW – October 31, 2012 (Unaudited)

COMMONWEALTH GLOBAL FUND

The Commonwealth Global Fund's net asset value (NAV) as of October 31, 2012 was \$14.13 per share compared to \$15.24 per share on October 31, 2011. For the twelve month period covered by this Annual Report, the Commonwealth Global Fund posted a 3.47% cumulative total return. This figure reflects the \$1.52 per share distribution in December 2011, as well as the 1 cent per share distribution in August 2012. Comparisons to indexes, which are not fundamentally based, may not appear as reasonable as we would prefer. We also invest a portion of the Fund's assets in fixed income investments and acknowledge this process may mitigate some meaningful comparisons to indexes that do not incorporate such investments. The MSCI World Index¹ returned 10.11% for the same period. The index does not include any fixed income instruments. Additionally, the index is unmanaged, it is expressed in terms of U.S. dollars and it does not reflect the deduction of fees or taxes associated with a mutual fund such as investment management and fund accounting fees. The performance of the Fund reflects the deduction of fees for these services. Investors cannot invest directly in an index.

In review of the year, it is fair to conclude that "uncertainty" has been the underlying concern of all markets domestic or international. Governments and their respective peoples have had to deal with the events of the year which included, but were not limited to: "The Arab Spring", endless turmoil of the Euro-zone countries, threats of nuclear development and changes in various degrees within the political leaderships of the United States, France, Japan and China. As each country strives to adjust, economic policies can become very fluid, varied in application and undependable. Indeed, risk is everywhere. However, we sleep better, and hope our investors do too, with our approach to analyze and determine the most appropriate risk adjusted investments to hold in the portfolio. During this time, in light of these unpredictable circumstances, the Commonwealth Global Fund's management maintained the portfolio in a more reserved, protected position, which in retrospect was not the most beneficial for the greatest relative growth. However, we believe that progress has been made.

The ownership of the financial sector* was beneficial and the best performing sector of the Fund. Other areas of promise, such as transportation*, experienced disappointing returns as rail road companies carried less coal due to the switch from coal power electric generation to natural gas as the source. This produced the obvious effect of significantly lower transportation tonnage of coal nationwide. This does not diminish our belief in the rails and their excellent fundamentals. It simply means that some of the dynamics are changing in this important industry. Rails continue to represent excellent economies for longer distance cargo carrying.

During the last year, the United States continued to deserve an increased flow of capital into its markets as earnings improved for the international yet domestically domiciled companies. Corporate America showed a resiliency that will be continuously challenged. As we look at the year and beyond, diversification across markets remains a guiding key to continued portfolio management.

Investment Risks

Equity securities (stocks) are more volatile and carry more risk than other forms of investments, including high-grade fixed income securities. The net asset values per share of a Fund will fluctuate as the value of these securities in the portfolio changes.

The Fund's investments in debt and/or fixed income securities also contain risk factors. The value of these securities tends to fluctuate inversely with changes in interest rates. Changes in an issuer's financial strength or creditworthiness also can affect the value of the securities it issues. Convertible and preferred stocks, which have some characteristics of both equity and fixed income securities, also contain, to varying degrees depending on their structure, the associated risks of each.

The Fund's expenses, as with any mutual fund, detract from the Fund's performance. The Fund's asset levels have a direct effect on the expense indirectly paid by shareholders. To the extent the Fund's assets decline and the expenses of the Fund rise or do not decrease proportionately, performance will be negatively impacted.

International investing involves increased risk and volatility. An investment in this Fund entails the special risks of international investing, including currency exchange fluctuation, government regulations, and the potential for political and economic instability.

By itself the Fund does not constitute a complete investment plan and should be considered a long-term investment for investors who can afford to weather change in the value of their investments.

Investors should refer to the Fund's Prospectus for a more complete description of risks associated with investing in and of the Fund.

* Portfolio holdings will change due to ongoing management of the Funds. References to specific securities or sectors should not be construed as recommendations by the Trust, the Advisor or the Distributor.

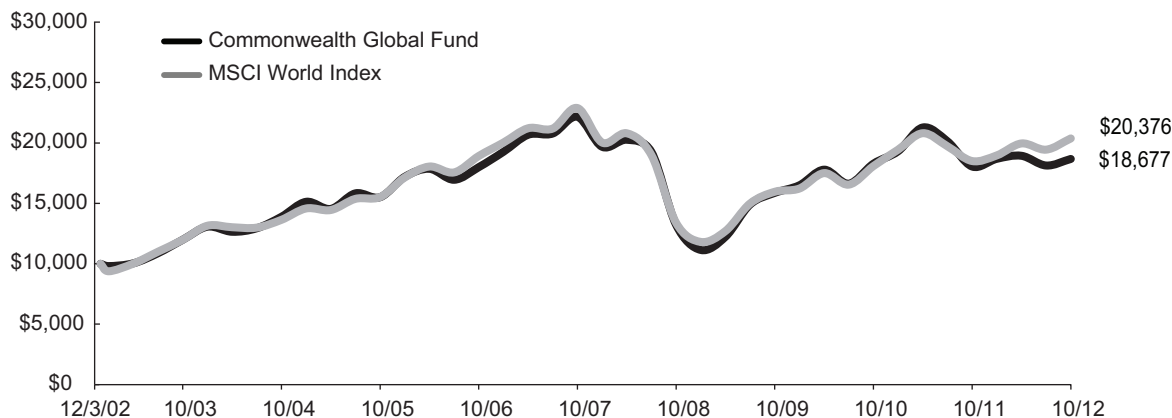
¹ For additional information, please refer to the Glossary of Terms following the Performance Overview section.

PERFORMANCE OVERVIEW – October 31, 2012 (Unaudited)

COMMONWEALTH GLOBAL FUND

Comparison of Change in Value of a \$10,000 Investment in the Commonwealth Global Fund and the MSCI World Index.

Return of a \$10,000 Investment as of October 31, 2012



The above graph is a hypothetical \$10,000 investment in the Commonwealth Global Fund from 12/3/02 (inception) to 10/31/12, and represents the reinvestment of dividends and distributions in the Fund.

| | Average Annual Total Return as of September 30, 2012 | | | Average Annual Total Return as of October 31, 2012 | | | Total Fund Operating Expense Ratio ¹ |
|--------------------------|---|--------|-------------------------|---|--------|-------------------------|--|
| | 1 Year | 5 Year | Inception (12/03/02) | 1 Year | 5 Year | Inception (12/03/02) | |
| Commonwealth Global Fund | 15.88% | -2.60% | 6.73% | 3.47% | -3.36% | 6.51% | 3.05% |
| MSCI World Index | 22.32% | -1.58% | 7.58% | 10.11% | -2.30% | 7.45% | — |

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The above graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The investment return and principal value will fluctuate so that an investor's shares, when redeemed may be worth more or less than the original cost. To obtain performance information current to the most recent month end, please call 888-345-1898.

¹ The above expense ratio is from the Fund's Prospectus dated February 28, 2012. Additional information pertaining to the Fund's expense ratios as of October 31, 2012 can be found in the financial highlights. Excluding the indirect costs of investing in acquired funds, total Fund operating expenses would be 3.05%.

The Fund's performance is measured against the MSCI World Index, an unmanaged free float-adjusted market capitalization index that is designed to measure global developed market equity performance. Currently the MSCI World Index consists of the following 24 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. This index is expressed in terms of U.S. dollars, and does not reflect the deduction of fees or taxes with a mutual fund, such as investment management and fund accounting fees. The performance of the Fund reflects the deduction of fees for these services. Investors cannot invest directly in an index.

You should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. This and other information can be found in the Fund's Prospectus, which can be obtained from www.commonwealthfunds.com, by calling the Funds directly at 888-345-1898 or by contracting your investment representative. Please read it carefully before you invest or send money.

PERFORMANCE OVERVIEW – October 31, 2012 (Unaudited)

COMMONWEALTH REAL ESTATE SECURITIES FUND

The Commonwealth Real Estate Securities Fund's net asset value (NAV) as of October 31, 2012, was \$11.27 per share compared to \$9.72 per share on October 31, 2011. For the twelve month period covered by this Annual Report, the Commonwealth Real Estate Securities Fund posted a 15.95% cumulative total return. The MSCI US REIT Index¹ returned 14.81% for the same period. Comparisons to indexes, which are not fundamentally based, may not appear as reasonable as we would prefer. We also invest a portion of the Fund's assets in fixed income investments and acknowledge this process may mitigate some meaningful comparisons to indexes that do not incorporate such investments. Additionally, the index is unmanaged, it is expressed in terms of U.S. dollars and it does not reflect the deduction of fees or taxes associated with a mutual fund such as investment management and fund accounting fees. The performance returns of the Fund do reflect the deduction of fees for these services.

Information on the various real estate interests throughout the Global/Domestic universe seems to remain at best confusingly constructive. As always, investors are generally optimistic and in the case of the international and domestic companies, they have expressed their optimism, even if unfounded, through new ownership of companies yet to provide totally viable reasons for their new found worth in the markets.

Internationally and domestically, the price movements of equities are from a very low base and large appreciation numbers can be seen with even the hint of modest improvements in fundamentals. The Commonwealth Real Estate Fund has stayed the course of ownership allowing time to heal many markets as the invisible hand of capitalism works its magic providing modest improvements in basic markets which have led to some appreciation of assets.

The commercial real estate market seems to have fundamentally improved during the last year. Prices and property values in many areas have held up and the commercial sector has been aided by some increased building activity. Low interest rates certainly encourage activity across the country, yet many corporate entities continue to deleverage their balance sheets by paying off debt and building cash positions. This process often restricts hiring and job creation which we continue to view as vital to future growth of the real estate sector.* At present, we do not see reasons to be making material changes and believe the practice of holding the course longer term is the best process to follow.

Investment Risks

Equity securities (stocks) are more volatile and carry more risk than other forms of investments, including high-grade fixed income securities. The net asset values per share of a Fund will fluctuate as the value of these securities in the portfolio changes.

The Fund's investments in debt and/or fixed income securities also contain risk factors. The value of these securities tends to fluctuate inversely with changes in interest rates. Changes in an issuer's financial strength or creditworthiness also can affect the value of the securities it issues. Convertible and preferred stocks, which have some characteristics of both equity and fixed income securities, also contain, to varying degrees depending on their structure, the associated risks of each.

The Fund's expenses, as with any mutual fund, detract from the Fund's performance. The Fund's asset levels have a direct effect on the expense indirectly paid by shareholders. To the extent the Fund's assets decline and the expenses of the Fund rise or do not decrease proportionately, performance will be negatively impacted.

The Fund's investments in REITs involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. Equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of any credit extended.

Investments in the Fund are subject to the risks related to direct investment in real estate, such as real estate risk, regulatory risks, concentration risk, and diversification risk.

By itself the Fund does not constitute a complete investment plan and should be considered a long-term investment for investors who can afford to weather change in the value of their investments.

Investors should refer to the Fund's Prospectus for a more complete description of risks associated with investing in and of the Fund.

* Portfolio holdings will change due to ongoing management of the Funds. References to specific securities or sectors should not be construed as recommendations by the Trust, the Advisor or the Distributor.

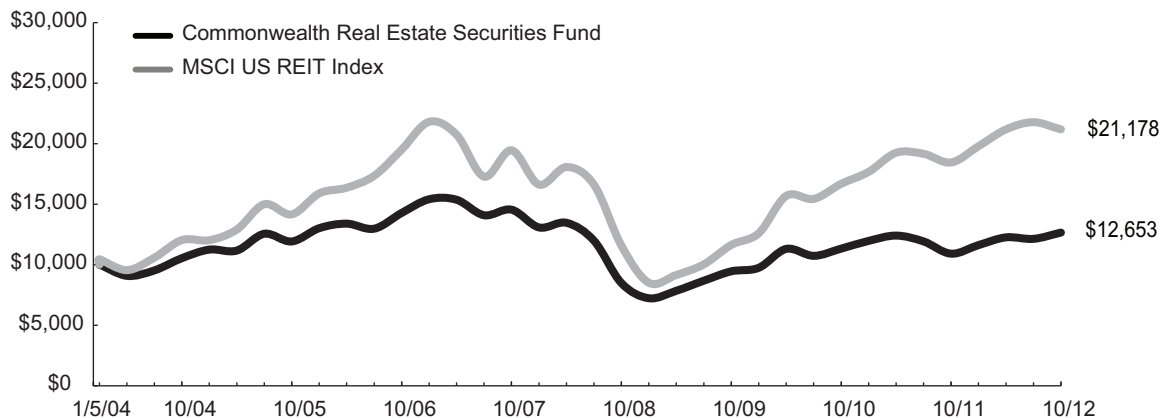
¹ For additional information, please refer to the Glossary of Terms following the Performance Overview section.

PERFORMANCE OVERVIEW – October 31, 2012 (Unaudited)

COMMONWEALTH REAL ESTATE SECURITIES FUND

Comparison of Change in Value of a \$10,000 Investment in the Commonwealth Real Estate Securities Fund and the MSCI US REIT Index.

Return of a \$10,000 Investment as of October 31, 2012



The above graph is a hypothetical \$10,000 investment in the Commonwealth Real Estate Securities Fund from 1/5/04 (inception) to 10/31/12, and represents the reinvestment of dividends and distributions in the Fund.

| | Average Annual Total Return as of September 30, 2012 | | | Average Annual Total Return as of October 31, 2012 | | | Total Fund Operating Expense Ratio ¹ |
|--|---|--------|-----------------------|---|--------|-----------------------|--|
| | 1 Year | 5 Year | Inception (1/5/04) | 1 Year | 5 Year | Inception (1/5/04) | |
| Commonwealth Real Estate Securities Fund | 30.96% | -2.62% | 2.67% | 15.95% | -2.75% | 2.70% | 3.33% |
| MSCI US REIT Index | 32.44% | 2.13% | 9.07% | 14.81% | 1.72% | 8.88% | — |

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The above graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. The investment return and principal value will fluctuate so that an investor's shares, when redeemed may be worth more or less than the original cost. To obtain performance information current to the most recent month end, please call 888-345-1898.

¹ The above expense ratio is from the Fund's Prospectus dated February 28, 2012. Additional information pertaining to the Fund's expense ratios as of October 31, 2012 can be found in the financial highlights. Excluding the indirect costs of investing in acquired funds, total Fund operating expenses would be 3.29%.

The Fund's performance is measured against the MSCI US REIT Index which is an unmanaged free float-adjusted market capitalization weighted index that is comprised of equity REITs that are included in the MSCI US Investable Market 2500 Index, with the exception of specialty equity REITs that do not generate a majority of their revenue and income from real estate rental and leasing operations. The index represents approximately 85% of the US REIT universe. MSCI started calculating and maintaining the MSCI US REIT Index on June 20, 2005. Prior to this date the MSCI US REIT Index (then known as the Morgan Stanley REIT Index) was calculated and maintained by the AMEX. This index is expressed in terms of U.S. dollars, and does not reflect the deduction of fees or taxes with a mutual fund, such as investment management and fund accounting fees. The performance of the Fund reflects the deduction of fees for these services. Investors cannot invest directly in an index.

You should carefully consider the investment objectives, risks, charges and expenses of the Fund before investing. This and other information can be found in the Fund's Prospectus, which can be obtained from www.commonwealthfunds.com, by calling the Funds directly at 888-345-1898 or by contracting your investment representative. Please read it carefully before you invest or send money.

Glossary of Terms

Australian All Ordinaries Index ("AAOI") — is a capitalization-weighted index. The index is made up of the largest 500 companies as measured by market cap that are listed on the Australian Stock Exchange.

Dow Jones Africa Titans 50 Index ("DJAFKT") — a float-adjusted market capitalization index that is designed to measure the stock performance of 50 leading companies that are headquartered or generate the majority of their revenues in Africa.

Gross Domestic Product ("GDP") — is a measure of the market value of the goods and services produced by labor and property within the United States and/or other foreign countries.

MSCI Emerging Markets Index ("MSCIEM") — is a float-adjusted market capitalization index that is designed to measure equity market performance within global emerging markets. The Emerging Markets Index currently consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

MSCI US REIT Index — is an unmanaged free float-adjusted market capitalization weighted index that is comprised of equity REITs that are included in the MSCI US Investable Market 2500 Index, with the exception of specialty equity REITs that do not generate a majority of their revenue and income from real estate rental and leasing operations. The index represents approximately 85% of the US REIT universe. MSCI started calculating and maintaining the MSCI US REIT Index on June 20, 2005. Prior to this date the MSCI US REIT Index (then known as the Morgan Stanley REIT Index) was calculated and maintained by the AMEX.

MSCI World Index — is an unmanaged free float-adjusted market capitalization index that is designed to measure global developed market equity performance. Currently the MSCI World Index consists of the following 24 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States.

NZX 50 Index — is a modified market capitalization weighted index. This index consists of the top 50 companies by free float adjusted market capitalization that are listed on the New Zealand Stock Exchange.

New Zealand SmallCap Index ("NZSCI") — is a capitalization-weighted index of all New Zealand equities, excluding those in the NZX 50 Index, considered to be reflective of the performance of the New Zealand small-cap equity market.

Tokyo Stock Price Index ("TOPIX") — is an unmanaged capitalization-weighted index of all companies listed on the First Section of the Tokyo Stock Exchange.

PORTFOLIO COMPOSITION – October 31, 2012* (Unaudited)

| COMMONWEALTH AUSTRALIA/NEW ZEALAND FUND | |
|---|------------------------------|
| Industry or Security Type | Percent of Total Investments |
| Commercial Services | 18.3% |
| Healthcare – Services | 8.7% |
| Retail | 8.1% |
| Transportation | 7.4% |
| Mining | 6.2% |
| Oil & Gas | 5.7% |
| REITS | 4.1% |
| Electric | 4.1% |
| Insurance | 4.1% |
| Home Furnishings | 3.8% |
| Telecommunications | 3.8% |
| Diversified Financial Services | 3.3% |
| Media | 3.3% |
| Metal Fabricate/Hardware | 3.1% |
| Bonds – New Zealand | 2.9% |
| Healthcare – Products | 2.3% |
| Preferred Stocks | 2.3% |
| Building Materials | 2.0% |
| Electrical Components & Equipment | 1.7% |
| Engineering & Construction | 1.5% |
| Chemicals | 1.1% |
| Bonds – Australia | 1.1% |
| Agriculture | 0.8% |
| Short-Term Investments | 0.3% |
| | 100.0% |

| AFRICA FUND | |
|---------------------------------------|------------------------------|
| Country or Security Type | Percent of Total Investments |
| South Africa | 40.2% |
| Exchange Traded Funds – South Africa | 20.5% |
| Exchange Traded Funds – Africa Region | 18.0% |
| Short-Term Investments | 7.2% |
| Egypt | 6.8% |
| United Kingdom | 4.5% |
| Bonds – South Africa | 1.9% |
| Guernsey | 0.8% |
| Rights | 0.1% |
| | 100.0% |

| COMMONWEALTH JAPAN FUND | |
|--------------------------------|------------------------------|
| Industry or Security Type | Percent of Total Investments |
| Transportation | 22.7% |
| Short-Term Investments | 7.2% |
| Healthcare – Products | 5.7% |
| Exchange Traded Funds | 5.7% |
| Insurance | 4.8% |
| Auto Parts & Equipment | 4.6% |
| Electronics | 4.5% |
| Machinery – Diversified | 4.4% |
| Real Estate | 4.3% |
| Computers | 4.1% |
| Cosmetics/Personal Care | 3.7% |
| Distribution/Wholesale | 3.5% |
| Engineering & Construction | 3.5% |
| Retail | 2.7% |
| Electric | 2.5% |
| Hand/Machine Tools | 2.5% |
| Beverages | 2.3% |
| Entertainment | 2.3% |
| Banks | 2.0% |
| Toys/Games/Hobbies | 1.9% |
| REITS | 1.9% |
| Chemicals | 1.3% |
| Food | 0.5% |
| Leisure Time | 0.5% |
| Call Options | 0.4% |
| Metal Fabricate/Hardware | 0.3% |
| Diversified Financial Services | 0.2% |
| | 100.0% |

| COMMONWEALTH GLOBAL FUND | |
|--------------------------|------------------------------|
| Country or Security Type | Percent of Total Investments |
| United States | 37.7% |
| United Kingdom | 16.3% |
| Short-Term Investments | 6.7% |
| Switzerland | 6.6% |
| France | 5.9% |
| Israel | 4.3% |
| Bermuda | 3.5% |
| Mexico | 2.5% |
| Guernsey | 2.5% |
| Netherlands | 2.5% |
| Germany | 2.3% |
| Canada | 1.9% |
| Japan | 1.8% |
| Spain | 1.7% |
| South Africa | 1.6% |
| India | 1.5% |
| Brazil | 0.7% |
| | 100.0% |

PORTFOLIO COMPOSITION – October 31, 2012* (Unaudited)

| COMMONWEALTH REAL ESTATE SECURITIES FUND | |
|---|-------------------------------------|
| Industry or Security Type | Percent of Total Investments |
| REITS – Office Property | 13.8% |
| REITS – Apartments | 10.1% |
| Building Materials | 9.8% |
| Lodging | 8.6% |
| REITS – Hotels | 7.5% |
| Real Estate | 7.1% |
| Home Builders | 6.3% |
| Telecommunications | 4.9% |
| REITS – Storage | 4.4% |
| REITS – Diversified | 4.3% |
| REITS – Shopping Centers | 3.9% |
| Bonds | 3.2% |
| Retail | 2.4% |
| Engineering & Construction | 2.3% |
| Exchange Traded Funds | 2.2% |
| REITS – Warehouse/Industries | 2.0% |
| Savings & Loans | 1.9% |
| REITS – Health Care | 1.9% |
| Call Options | 1.6% |
| REITS – Single Tenant | 1.6% |
| Short-Term Investments | 0.2% |
| | 100.0% |

* Portfolio composition is subject to change.

SCHEDULE OF INVESTMENTS – October 31, 2012

COMMONWEALTH AUSTRALIA/NEW ZEALAND FUND

| | <u>Shares</u> | <u>Value</u> | | <u>Shares</u> | <u>Value</u> |
|--|------------------|------------------|---|---------------|------------------|
| AUSTRALIA (21.9%) | | | NEW ZEALAND (74.0%) | | |
| COMMON STOCKS (20.8%) | | | COMMON STOCKS (68.9%) | | |
| <i>CHEMICALS (1.1%)</i> | | | <i>AGRICULTURE (0.8%)</i> | | |
| Nufarm, Ltd. | 39,806 | \$ 237,595 | PGG Wrightson, Ltd. (4) | 609,340 | \$ 170,382 |
| <i>ELECTRIC (2.2%)</i> | | | <i>BUILDING MATERIALS (2.0%)</i> | | |
| AGL Energy, Ltd. | 32,680 | 493,250 | Fletcher Building, Ltd. | 75,366 | 436,347 |
| <i>HEALTHCARE-PRODUCTS (1.3%)</i> | | | <i>COAL (0.0%)</i> | | |
| Cochlear, Ltd. | 4,000 | 295,596 | Pike River Coal, Ltd. (4) (5) | 1,145,295 | 0 |
| <i>HEALTHCARE-SERVICES (1.6%)</i> | | | <i>COMMERCIAL SERVICES (17.5%)</i> | | |
| Sonic Healthcare Ltd. | 26,324 | 355,235 | Guinness Peat Group PLC (4) | 495,906 | 232,466 |
| <i>INSURANCE (2.3%)</i> | | | Mowbray Collectables, Ltd. (4) (6) | 821,593 | 304,056 |
| QBE Insurance Group, Ltd. | 38,164 | 522,143 | Northland Port Corp. (NZ), Ltd. | 81,425 | 145,982 |
| <i>MINING (5.9%)</i> | | | Port of Tauranga, Ltd. | 50,000 | 532,505 |
| Orica Ltd. | 13,079 | 341,047 | South Port New Zealand, Ltd. | 1,027,930 | 2,705,190 |
| OZ Minerals Ltd. | 30,866 | 262,413 | | | <u>3,920,199</u> |
| PanAust, Ltd. | 210,000 | 725,912 | <i>DIVERSIFIED FINANCIAL SERVICES (3.2%)</i> | | |
| | | <u>1,329,372</u> | Heartland New Zealand, Ltd. (4) | 1,252,765 | 710,891 |
| <i>OIL & GAS (2.6%)</i> | | | <i>ELECTRIC (1.7%)</i> | | |
| Santos, Ltd. | 28,202 | 336,958 | Infratil, Ltd. | 206,699 | 384,177 |
| Woodside Petroleum, Ltd. | 6,518 | 232,752 | <i>ELECTRICAL COMPONENTS & EQUIPMENT (1.6%)</i> | | |
| | | <u>569,710</u> | Cavotec SA | 130,250 | 367,211 |
| <i>RETAIL (1.8%)</i> | | | <i>ENGINEERING & CONSTRUCTION (1.5%)</i> | | |
| Wesfarmers, Ltd. | 11,375 | 410,560 | Auckland International Airport, Ltd. | 150,000 | 331,223 |
| <i>TRANSPORTATION (2.0%)</i> | | | <i>HEALTHCARE-PRODUCTS (0.9%)</i> | | |
| Asciano Group | 93,333 | 441,794 | Ebos Group, Ltd. | 30,901 | 208,387 |
| TOTAL COMMON STOCKS | | | <i>HEALTHCARE-SERVICES (6.7%)</i> | | |
| (Cost \$3,501,517) | | <u>4,655,255</u> | Acurity Health Group Ltd. | 20,299 | 95,489 |
| | | | Metlifecare Ltd. (4) | 30,000 | 78,951 |
| CORPORATE BONDS (1.1%) | | | Ryman Healthcare, Ltd. | 400,000 | 1,332,292 |
| | | | | | <u>1,506,732</u> |
| | Principal | | <i>HOME FURNISHINGS (3.7%)</i> | | |
| CBA Capital Australia, Ltd., 3.50%, 4/15/15 (1) (2) (3) | \$300,000 | 234,385 | Scott Technology, Ltd. | 477,628 | 824,885 |
| TOTAL CORPORATE BONDS | | | <i>INSURANCE (1.6%)</i> | | |
| (Cost \$202,443) | | <u>234,385</u> | Tower Ltd. | 220,641 | 350,209 |
| TOTAL AUSTRALIA | | | <i>MEDIA (3.2%)</i> | | |
| (Cost \$3,703,960) | | <u>4,889,640</u> | Sky Network Television, Ltd. | 159,745 | 705,482 |

See accompanying notes to financial statements.

SCHEDULE OF INVESTMENTS – October 31, 2012

COMMONWEALTH AUSTRALIA/NEW ZEALAND FUND

| | <u>Shares</u> | <u>Value</u> | | <u>Principal</u> | <u>Value</u> |
|--|---------------|-------------------|--|------------------|---------------------|
| NEW ZEALAND (74.0%) - Continued | | | NEW ZEALAND (74.0%) - Continued | | |
| COMMON STOCKS (68.9%) - Continued | | | CORPORATE BONDS (2.8%) | | |
| <i>METAL FABRICATE/HARDWARE (3.0%)</i> | | | Credit Agricole SA, 10.04%, 12/29/49 (1) (2) (3) | \$600,000 | \$ 246,721 |
| Methven, Ltd. | 606,250 | \$ 668,099 | Sky Network Television, Ltd., 3.19%, 10/16/16 (1) (2) (3) | 500,000 | 380,361 |
| <i>OIL & GAS (3.0%)</i> | | | TOTAL CORPORATE BONDS | | |
| New Zealand Oil & Gas, Ltd. | 924,805 | 657,886 | (Cost \$663,035) | | 627,082 |
| <i>REITS (3.9%)</i> | | | TOTAL NEW ZEALAND | | |
| Goodman Property Trust | 358,959 | 312,921 | (Cost \$12,936,687) | | 16,526,354 |
| Vital Healthcare Property Trust | 546,634 | 566,437 | | | |
| | | <u>879,358</u> | | | |
| <i>RETAIL (5.9%)</i> | | | | <u>Shares</u> | |
| Briscoe Group, Ltd. | 405,000 | 709,445 | SHORT-TERM INVESTMENTS (0.2%) | | |
| Colonial Motor Co., Ltd. | 199,565 | 615,460 | Federated Government Obligations Fund, 0.03% (7) | 53,844 | 53,844 |
| | | <u>1,324,905</u> | TOTAL SHORT-TERM INVESTMENTS | | |
| <i>TELECOMMUNICATIONS (3.6%)</i> | | | (Cost \$53,844) | | 53,844 |
| TeamTalk, Ltd. | 380,094 | 812,734 | TOTAL INVESTMENTS (96.1%) | | |
| <i>TRANSPORTATION (5.1%)</i> | | | (Cost \$16,694,491) | | 21,469,838 |
| Freightways, Ltd. | 173,540 | 610,840 | OTHER ASSETS IN EXCESS OF | | |
| Mainfreight, Ltd. | 60,000 | 525,515 | LIABILITIES (3.9%) | | 877,515 |
| | | <u>1,136,355</u> | NET ASSETS (100.0%) | | <u>\$22,347,353</u> |
| TOTAL COMMON STOCKS | | <u>15,395,462</u> | (1) Variable, Floating, or Step Rate Security. The rate reflected in the Schedule of Investments is the rate in effect at October 31, 2012. | | |
| (Cost \$11,586,854) | | | (2) Principal amount shown is in New Zealand Dollars; value shown in U.S. Dollars. | | |
| PREFERRED STOCKS (2.3%) | | | (3) Callable. | | |
| <i>INVESTMENT COMPANIES (2.3%)</i> | | | (4) Non-income producing. | | |
| ASB Capital, Ltd., 3.46% (1) (3) | 954,218 | 503,810 | (5) Security is being fair valued in accordance with the Trust's fair valuation policies. | | |
| TOTAL PREFERRED STOCKS | | <u>503,810</u> | (6) Affiliated Investment. See Note 5 of the Notes to Financial Statements. | | |
| (Cost \$686,798) | | | (7) Rate disclosed is the seven day yield as of October 31, 2012. | | |
| | | | PLC — Public Limited Company | | |
| | | | REIT — Real Estate Investment Trusts | | |

See accompanying notes to financial statements.

SCHEDULE OF INVESTMENTS – October 31, 2012

AFRICA FUND

| | <u>Shares</u> | <u>Value</u> | | <u>Principal</u> | <u>Value</u> |
|---|---------------|----------------|--|------------------|--------------------|
| COMMON STOCKS (51.9%) | | | SOVEREIGN BONDS (1.9%) | | |
| <i>EGYPT (6.7%)</i> | | | <i>SOUTH AFRICA (1.9%)</i> | | |
| Orascom Construction Industries ADR | 800 | \$ 30,808 | South Africa Government Bond, 8.00%, 12/21/18 (2) | R200,000 | \$ 25,250 |
| Orascom Telecom Holding SAE GDR (1) | 20,000 | <u>60,100</u> | TOTAL SOVEREIGN BONDS (Cost \$26,650) | | <u>25,250</u> |
| | | <u>90,908</u> | | | |
| <i>GUERNSEY (0.8%)</i> | | | | | |
| Agriterra, Ltd. (1) | 210,000 | <u>10,912</u> | | | |
| <i>SOUTH AFRICA (39.9%)</i> | | | RIGHTS (0.1%) | | |
| Barloworld Ltd. | 2,500 | 20,255 | <i>SOUTH AFRICA (0.1%)</i> | | |
| Bidvest Group Ltd. | 1,000 | 23,868 | Capitec Bank Holdings Ltd., Exercise Price: R160, 11/10/2012 (1) | 350 | <u>1,232</u> |
| Capitec Bank Holdings, Ltd. | 2,500 | 55,071 | TOTAL RIGHTS (Cost \$0) | | <u>1,232</u> |
| Discovery Holdings, Ltd. | 9,000 | 57,629 | | | |
| FirstRand Ltd. | 9,800 | 32,529 | | | |
| Grindrod, Ltd. | 35,000 | 60,065 | | | |
| Imperial Holdings, Ltd. ADR | 1,200 | 27,042 | | | |
| JD Group Ltd. | 3,500 | 18,689 | SHORT-TERM INVESTMENTS (7.1%) | | |
| MTN Group, Ltd. ADR | 2,600 | 47,502 | Federated Government Obligations Fund, 0.03% (3) | 96,755 | <u>96,755</u> |
| Nedbank Group Ltd. | 1,500 | 30,966 | TOTAL SHORT-TERM INVESTMENTS (Cost \$96,755) | | <u>96,755</u> |
| PSG Group Ltd. | 3,700 | 26,969 | | | |
| Sasol, Ltd. ADR | 1,100 | 46,651 | TOTAL INVESTMENTS (99.2%) (Cost \$1,315,715) | | 1,344,980 |
| Shoprite Holdings, Ltd. ADR | 900 | 37,710 | OTHER ASSETS IN EXCESS OF LIABILITIES (0.8%) | | <u>11,059</u> |
| Standard Bank Group Ltd. ADR | 2,800 | 34,076 | NET ASSETS (100.0%) | | <u>\$1,356,039</u> |
| Steinhoff International Holdings Ltd. (1) | 6,500 | <u>21,845</u> | | | |
| | | <u>540,867</u> | (1) Non-income producing. | | |
| <i>UNITED KINGDOM (4.5%)</i> | | | (2) Principal amount shown in South African Rand; value shown in U.S. Dollars. | | |
| SABMiller PLC ADR | 500 | 21,650 | (3) Rate disclosed is the seven day yield as of October 31, 2012. | | |
| Tullow Oil PLC ADR | 3,500 | <u>39,725</u> | ADR — American Depositary Receipt | | |
| | | <u>61,375</u> | GDR — Global Depositary Receipt | | |
| TOTAL COMMON STOCKS (Cost \$703,038) | | <u>704,062</u> | PLC — Public Limited Company | | |
| EXCHANGE TRADED FUNDS (38.2%) | | | | | |
| iShares MSCI South Africa Index Fund | 4,200 | 275,646 | | | |
| Market Vectors Africa Index ETF | 7,640 | <u>242,035</u> | | | |
| TOTAL EXCHANGE TRADED FUNDS (Cost \$489,272) | | <u>517,681</u> | | | |

See accompanying notes to financial statements.

SCHEDULE OF INVESTMENTS – October 31, 2012

COMMONWEALTH JAPAN FUND

| | <u>Shares</u> | <u>Value</u> | | <u>Shares</u> | <u>Value</u> |
|--|---------------|----------------|--|---------------|----------------|
| COMMON STOCKS (86.2%) | | | COMMON STOCKS (86.2%) - Continued | | |
| <i>AUTO PARTS & EQUIPMENT (4.6%)</i> | | | <i>ENGINEERING & CONSTRUCTION (3.5%)</i> | | |
| NGK Spark Plug Co., Ltd. | 6,000 | \$ 67,042 | Kajima Corp. | 33,000 | \$ 91,357 |
| Sumitomo Rubber Industries, Ltd. | 10,000 | <u>117,625</u> | Taihei Dengyo Kaisha, Ltd. | 6,000 | 38,782 |
| | | <u>184,667</u> | Takada Corp. | 3,000 | <u>9,884</u> |
| | | | | | <u>140,023</u> |
| <i>BANKS (2.0%)</i> | | | <i>ENTERTAINMENT (2.3%)</i> | | |
| Mizuho Financial Group, Inc. | 30,000 | 46,975 | Sankyo Co., Ltd. | 2,000 | <u>90,567</u> |
| Nishi-Nippon City Bank, Ltd. | 15,000 | <u>34,198</u> | | | |
| | | <u>81,173</u> | <i>FOOD (0.5%)</i> | | |
| <i>BEVERAGES (2.3%)</i> | | | Maxvalu Kyushu Co., Ltd. | 1,500 | <u>20,293</u> |
| Coca-Cola West Co., Ltd. | 2,000 | 30,640 | <i>HAND/MACHINE TOOLS (2.4%)</i> | | |
| Kirin Holdings Co., Ltd. | 5,000 | <u>62,758</u> | Meidensha Corp. | 28,000 | <u>98,559</u> |
| | | <u>93,398</u> | <i>HEALTHCARE-PRODUCTS (5.6%)</i> | | |
| <i>CHEMICALS (1.3%)</i> | | | Asahi Intecc Co., Ltd. | 4,000 | 118,702 |
| JSR Corp. | 3,000 | <u>51,409</u> | Terumo Corp. | 2,500 | <u>107,729</u> |
| | | | | | <u>226,431</u> |
| <i>COMPUTERS (4.1%)</i> | | | <i>INSURANCE (4.7%)</i> | | |
| Fujitsu, Ltd. | 10,000 | 38,457 | Dai-ichi Life Insurance Co., Ltd. | 80 | 92,196 |
| INES Corp. | 5,000 | 31,880 | T & D Holdings, Inc. | 4,000 | 43,693 |
| Melco Holdings, Inc. | 2,500 | 52,205 | Tokio Marine Holdings ADR | 2,000 | <u>53,260</u> |
| Otsuka Corp. | 500 | <u>40,774</u> | | | <u>189,149</u> |
| | | <u>163,316</u> | <i>LEISURE TIME (0.5%)</i> | | |
| <i>COSMETICS/PERSONAL CARE (3.6%)</i> | | | Shimano, Inc. | 300 | <u>18,903</u> |
| Unicharm Corp. | 2,700 | <u>146,110</u> | <i>MACHINERY-DIVERSIFIED (4.4%)</i> | | |
| <i>DISTRIBUTION/WHOLESALE (3.5%)</i> | | | Fanuc, Ltd. | 1,000 | 159,213 |
| Marubeni Corp. | 20,000 | 129,525 | Torishima Pump Manufacturing Co., Ltd. | 2,500 | <u>17,475</u> |
| Yamae Hisano Co., Ltd. | 1,000 | <u>11,901</u> | | | <u>176,688</u> |
| | | <u>141,426</u> | <i>METAL FABRICATE/HARDWARE (0.3%)</i> | | |
| <i>DIVERSIFIED FINANCIAL SERVICES (0.2%)</i> | | | Okano Valve Manufacturing Co. | 5,000 | <u>12,840</u> |
| Kyushu Leasing Service Co., Ltd. | 4,000 | <u>8,869</u> | <i>REAL ESTATE (4.3%)</i> | | |
| <i>ELECTRIC (2.5%)</i> | | | Mitsui Fudosan Co., Ltd. | 3,000 | 60,616 |
| Hokkaido Electric Power Co., Inc. | 6,000 | 49,380 | Sumitomo Realty & Development Co., Ltd. | 4,000 | <u>110,435</u> |
| Tohoku Electric Power Co., Inc. (1) | 7,000 | <u>51,560</u> | | | <u>171,051</u> |
| | | <u>100,940</u> | <i>REITS (1.9%)</i> | | |
| <i>ELECTRONICS (4.5%)</i> | | | Fukuoka REIT Corp. | 10 | <u>75,160</u> |
| Hamamatsu Photonics K.K. | 1,500 | 51,954 | | | |
| Hoya Corp. | 4,000 | 80,972 | | | |
| Star Micronics Co., Ltd. | 5,000 | <u>46,787</u> | | | |
| | | <u>179,713</u> | | | |

See accompanying notes to financial statements.

SCHEDULE OF INVESTMENTS – October 31, 2012

COMMONWEALTH JAPAN FUND

| | <u>Shares</u> | <u>Value</u> | | <u>Contracts</u> | <u>Value</u> |
|--|---------------|------------------|--------------------------------------|------------------|--------------------|
| COMMON STOCKS (86.2%) - Continued | | | | | |
| <i>RETAIL (2.7%)</i> | | | | | |
| Sugi Holdings Co., Ltd. | 2,500 | \$ 90,348 | | | |
| TOTAL MEDICAL SERVICE | | | | | |
| Co., Ltd. | 1,000 | 17,237 | | | |
| | | <u>107,585</u> | | | |
| <i>TOYS/GAMES/HOBBIES (1.9%)</i> | | | | | |
| Nintendo Co., Ltd. | 600 | 77,264 | | | |
| <i>TRANSPORTATION (22.6%)</i> | | | | | |
| Daiichi Koutsu Sangyo Co., Ltd. | 1,000 | 7,516 | | | |
| East Japan Railway Co. | 1,500 | 102,969 | | | |
| Hankyu Hanshin Holdings, Inc. | 22,000 | 121,809 | | | |
| Kawasaki Kisen Kaisha, Ltd. (1) | 30,000 | 37,956 | | | |
| Keikyu Corp. | 13,000 | 122,460 | | | |
| Keio Corp. | 18,000 | 136,640 | | | |
| Kintetsu World Express, Inc. | 2,000 | 56,320 | | | |
| Mitsui OSK Lines, Ltd. | 18,000 | 43,066 | | | |
| Nippon Express Co., Ltd. | 15,000 | 54,866 | | | |
| Nishi-Nippon Railroad Co., Ltd. | 5,000 | 21,233 | | | |
| Tobu Railway Co., Ltd. | 18,000 | 95,603 | | | |
| Yamato Holdings Co., Ltd. | 7,000 | 106,539 | | | |
| | | <u>906,977</u> | | | |
| TOTAL COMMON STOCKS | | <u>3,462,511</u> | | | |
| (Cost \$3,030,804) | | | | | |
| | | | CALL OPTIONS (0.4%) | | |
| | | | iShares MSCI Japan Index Fund, | | |
| | | | Strike Price: \$8.00, | | |
| | | | Expiration 1/19/2013 (1) | 150 | \$ 16,050 |
| | | | iShares MSCI Japan Index Fund, | | |
| | | | Strike Price: \$13.00, | | |
| | | | Expiration 1/19/2013 (1) | 145 | <u>0</u> |
| | | | TOTAL CALL OPTIONS | | |
| | | | (Cost \$38,275) | | <u>16,050</u> |
| | | | | <u>Shares</u> | |
| | | | EXCHANGE TRADED FUNDS (5.6%) | | |
| | | | iShares MSCI Japan Index Fund | 25,000 | <u>226,250</u> |
| | | | TOTAL EXCHANGE TRADED FUNDS | | |
| | | | (Cost \$224,063) | | <u>226,250</u> |
| | | | SHORT-TERM INVESTMENTS (7.2%) | | |
| | | | Federated Government Obligations | | |
| | | | Fund, 0.03% (2) | 288,854 | <u>288,854</u> |
| | | | TOTAL SHORT-TERM INVESTMENTS | | |
| | | | (Cost \$288,854) | | <u>288,854</u> |
| | | | TOTAL INVESTMENTS (99.4%) | | |
| | | | (Cost \$3,581,996) | | 3,993,665 |
| | | | OTHER ASSETS IN EXCESS OF | | |
| | | | LIABILITIES (0.6%) | | <u>23,290</u> |
| | | | NET ASSETS (100.0%) | | <u>\$4,016,955</u> |

(1) Non-income producing.

(2) Rate disclosed is the seven day yield as of October 31, 2012.

ADR — American Depositary Receipt

REIT — Real Estate Investment Trusts

SCHEDULE OF INVESTMENTS – October 31, 2012

COMMONWEALTH GLOBAL FUND

| | <u>Shares</u> | <u>Value</u> | | <u>Shares</u> | <u>Value</u> |
|---|---------------|----------------|--|---------------|-------------------|
| COMMON STOCKS (87.9%) | | | COMMON STOCKS (87.9%) - Continued | | |
| <i>BERMUDA (3.5%)</i> | | | <i>UNITED KINGDOM (16.3%)</i> | | |
| Bunge, Ltd. | 6,500 | \$461,695 | Anglo American PLC ADR | 11,830 | \$ 181,827 |
| <i>BRAZIL (0.7%)</i> | | | BG Group PLC ADR | 10,000 | 186,000 |
| Vale SA ADR | 5,000 | 91,600 | BP PLC ADR | 4,579 | 196,393 |
| <i>CANADA (1.9%)</i> | | | Centrica PLC ADR | 7,000 | 145,950 |
| InterOil Corp. (1) | 4,000 | 257,920 | Diageo PLC ADR | 2,000 | 228,480 |
| <i>FRANCE (5.9%)</i> | | | InterContinental Hotels Group PLC ADR | 9,333 | 229,778 |
| Arkema SA ADR | 4,130 | 377,290 | Old Mutual PLC ADR | 13,125 | 290,958 |
| BNP Paribas ADR | 6,000 | 149,700 | Prudential PLC ADR | 18,000 | 494,640 |
| Total SA ADR | 5,200 | 262,080 | Vodafone Group PLC ADR | 7,875 | 214,358 |
| | | <u>789,070</u> | | | <u>2,168,384</u> |
| <i>GERMANY (2.3%)</i> | | | <i>UNITED STATES (32.3%)</i> | | |
| Siemens AG ADR | 3,000 | 302,730 | AECOM Technology Corp. (1) | 10,000 | 214,700 |
| <i>GUERNSEY (2.5%)</i> | | | AGCO Corp. (1) | 5,000 | 227,550 |
| Amdocs, Ltd. | 10,000 | 330,700 | BorgWarner, Inc. (1) | 2,000 | 131,640 |
| <i>INDIA (1.5%)</i> | | | Chemed Corp. | 4,200 | 282,450 |
| ICICI Bank, Ltd. ADR | 5,000 | 196,250 | Conmed Corp. | 15,720 | 434,815 |
| <i>ISRAEL (4.3%)</i> | | | DENTSPLY International, Inc. | 8,700 | 320,508 |
| NICE Systems, Ltd. ADR (1) | 10,000 | 333,000 | Huntington Bancshares, Inc. | 20,000 | 127,800 |
| Teva Pharmaceutical Industries, Ltd. ADR | 6,000 | 242,520 | Johnson Controls, Inc. | 6,000 | 154,500 |
| | | <u>575,520</u> | KVH Industries, Inc. (1) | 30,000 | 414,600 |
| <i>JAPAN (1.8%)</i> | | | LifePoint Hospitals, Inc. (1) | 4,500 | 159,030 |
| Nidec Corp. ADR | 14,000 | 248,360 | Lufkin Industries, Inc. | 5,000 | 250,050 |
| <i>MEXICO (2.5%)</i> | | | New York Community Bancorp, Inc. | 10,000 | 138,600 |
| Grupo Televisa SA ADR | 15,000 | 339,000 | Norfolk Southern Corp. | 4,000 | 245,400 |
| <i>NETHERLANDS (2.5%)</i> | | | Northwest Natural Gas Co. | 5,000 | 232,650 |
| Unilever NV | 9,000 | 330,210 | Pentair, Inc. | 10,760 | 454,503 |
| <i>SOUTH AFRICA (1.6%)</i> | | | Starwood Hotels & Resorts Worldwide, Inc. | 5,000 | 259,250 |
| Shoptite Holdings, Ltd. ADR | 5,000 | 209,500 | Tenneco, Inc. (1) | 6,000 | 183,300 |
| <i>SPAIN (1.7%)</i> | | | Wells Fargo & Co. | 2,000 | 67,380 |
| Banco Santander SA ADR | 30,126 | 224,739 | | | <u>4,298,726</u> |
| <i>SWITZERLAND (6.6%)</i> | | | TOTAL COMMON STOCKS | | |
| Nestle SA ADR | 7,750 | 490,885 | (Cost \$8,856,935) | | <u>11,699,449</u> |
| Roche Holding AG ADR | 8,000 | 384,160 | | | |
| | | <u>875,045</u> | | | |

See accompanying notes to financial statements.

SCHEDULE OF INVESTMENTS – October 31, 2012

COMMONWEALTH GLOBAL FUND

| | <u>Shares</u> | <u>Value</u> |
|---|---------------|---------------------|
| PREFERRED STOCKS (5.4%) | | |
| <i>UNITED STATES (5.4%)</i> | | |
| Chesapeake Energy Corp., 4.50% (2) | 1,000 | \$ 86,040 |
| HSBC USA, Inc., Series F, 3.50%, Callable 11/30/12 (3) (4) | 18,000 | 401,760 |
| HSBC USA, Inc., Series G, 4.00%, Callable 11/30/12 (3) (4) | 10,000 | <u>234,900</u> |
| TOTAL PREFERRED STOCKS (Cost \$561,255) | | <u>722,700</u> |
| SHORT-TERM INVESTMENTS (6.8%) | | |
| Federated Government Obligations Fund, 0.03% (5) | 900,362 | <u>900,362</u> |
| TOTAL SHORT-TERM INVESTMENTS (Cost \$900,362) | | <u>900,362</u> |
| TOTAL INVESTMENTS (100.1%) (Cost \$10,318,552) | | 13,322,511 |
| LIABILITIES IN EXCESS OF OTHER ASSETS (-0.1%) | | <u>(11,225)</u> |
| NET ASSETS (100.0%) | | <u>\$13,311,286</u> |

- (1) Non-income producing.
- (2) Convertible security.
- (3) Callable.
- (4) Variable, Floating, or Step Rate Security. The rate reflected in the Schedule of Investments is the rate in effect at October 31, 2012.
- (5) Rate disclosed is the seven day yield as of October 31, 2012.

ADR — American Depositary Receipt

PLC — Public Limited Company

See accompanying notes to financial statements.

SCHEDULE OF INVESTMENTS – October 31, 2012

COMMONWEALTH REAL ESTATE SECURITIES FUND

| | <u>Shares</u> | <u>Value</u> | | <u>Shares</u> | <u>Value</u> |
|--|---------------|----------------|---|---------------|------------------|
| COMMON STOCKS (93.1%) | | | COMMON STOCKS (93.1%) - Continued | | |
| <i>BUILDING MATERIALS (9.9%)</i> | | | <i>REITS-APARTMENTS (10.1%)</i> | | |
| Cemex SAB de CV ADR (1) | 14,037 | \$126,895 | AvalonBay Communities, Inc. | 1,547 | \$ 209,711 |
| CRH PLC ADR | 3,000 | 55,950 | Campus Crest Communities, Inc. | 11,000 | 121,990 |
| James Hardie Industries NV – ADR | 9,000 | 432,810 | Equity Residential | 5,700 | 327,237 |
| Lafarge SA ADR | 5,000 | 72,850 | Essex Property Trust, Inc. | 900 | 135,000 |
| Pretoria Portland Cement Co., Ltd. ADR | 12,500 | <u>84,125</u> | | | <u>793,938</u> |
| | | <u>772,630</u> | <i>REITS-DIVERSIFIED (4.3%)</i> | | |
| <i>ENGINEERING & CONSTRUCTION (2.3%)</i> | | | Vornado Realty Trust | 2,307 | 185,044 |
| Grupo Aeroportuario del Sureste SAB de CV ADR | 1,300 | 125,541 | Washington Real Estate Investment Trust | 6,000 | <u>154,260</u> |
| Kajima Corp. ADR | 2,000 | <u>55,600</u> | | | <u>339,304</u> |
| | | <u>181,141</u> | <i>REITS-HEALTH CARE (1.9%)</i> | | |
| <i>HOME BUILDERS (6.3%)</i> | | | Health Care REIT, Inc. | 2,500 | <u>148,575</u> |
| China Housing & Land Development, Inc. (1) | 40,000 | 58,400 | <i>REITS-HOTELS (7.6%)</i> | | |
| Desarrolladora Homex SAB de CV ADR (1) | 7,000 | 92,750 | Host Hotels & Resorts, Inc. | 15,317 | 221,484 |
| MDC Holdings, Inc. | 5,000 | 191,200 | LaSalle Hotel Properties | 11,000 | 263,340 |
| Toll Brothers, Inc. (1) | 4,500 | <u>148,545</u> | Pebblebrook Hotel Trust | 5,000 | <u>106,100</u> |
| | | <u>490,895</u> | | | <u>590,924</u> |
| <i>LODGING (8.6%)</i> | | | <i>REITS-OFFICE PROPERTY (13.8%)</i> | | |
| Home Inns & Hotels Management, Inc. ADR (1) | 8,500 | 250,325 | Alexandria Real Estate Equities, Inc. | 2,500 | 176,075 |
| InterContinental Hotels Group PLC ADR | 1,866 | 45,941 | BioMed Realty Trust, Inc. | 9,000 | 172,080 |
| Marriott International, Inc., Class A | 5,035 | 183,677 | Boston Properties, Inc. | 2,500 | 265,750 |
| Ryman Hospitality Properties (1) | 5,000 | <u>195,050</u> | Corporate Office Properties Trust SBI MD | 4,000 | 99,800 |
| | | <u>674,993</u> | Douglas Emmett, Inc. | 6,000 | 140,700 |
| | | | SL Green Realty Corp. | 3,000 | <u>225,900</u> |
| <i>REAL ESTATE (7.1%)</i> | | | | | <u>1,080,305</u> |
| Alto Palermo SA ADR | 11,500 | 195,500 | <i>REITS-SHOPPING CENTERS (3.9%)</i> | | |
| Gafisa SA ADR (1) | 12,000 | 44,040 | Acadia Realty Trust | 4,985 | 128,015 |
| IRSA Inversiones y Representaciones SA ADR | 6,000 | 43,320 | Saul Centers, Inc. | 4,100 | <u>177,407</u> |
| WP Carey & Co., LLC | 5,000 | <u>273,500</u> | | | <u>305,422</u> |
| | | <u>556,360</u> | <i>REITS-SINGLE TENANT (1.6%)</i> | | |
| | | | National Retail Properties, Inc. | 4,000 | <u>126,720</u> |
| | | | <i>REITS-STORAGE (4.4%)</i> | | |
| | | | Extra Space Storage, Inc. | 9,900 | <u>341,451</u> |

See accompanying notes to financial statements.

SCHEDULE OF INVESTMENTS – October 31, 2012

COMMONWEALTH REAL ESTATE SECURITIES FUND

| | <u>Shares</u> | <u>Value</u> | | <u>Contracts</u> | <u>Value</u> |
|---|------------------|-------------------|---|------------------|--------------------|
| | Shares | Value | | | |
| COMMON STOCKS (93.1%) - Continued | | | CALL OPTIONS (1.6%) | | |
| <i>REITS-WAREHOUSE/INDUSTRIES (2.0%)</i> | | | Autodesk, Inc., Strike Price: \$20.00, Expiration 1/19/2013 (1) | 70 | \$ 75,950 |
| EastGroup Properties, Inc. | 3,000 | <u>\$ 156,180</u> | St. Joe Co. (The), Strike Price: \$10.00, Expiration 1/19/2013 (1) | 50 | <u>47,500</u> |
| <i>RETAIL (2.4%)</i> | | | TOTAL CALL OPTIONS | | <u>123,450</u> |
| Kingfisher PLC ADR | 20,000 | <u>185,200</u> | (Cost \$149,440) | | |
| <i>SAVINGS & LOANS (1.9%)</i> | | | | <u>Shares</u> | |
| Harleysville Savings Financial Corp. | 8,675 | <u>147,388</u> | SHORT-TERM INVESTMENTS (0.2%) | | |
| <i>TELECOMMUNICATIONS (5.0%)</i> | | | Federated Government Obligations Fund, 0.03% (3) | 14,461 | <u>14,461</u> |
| American Tower Corp., Class A | 2,500 | 188,225 | TOTAL SHORT-TERM INVESTMENTS | | <u>14,461</u> |
| SBA Communications Corp., Class A (1) | 3,000 | <u>199,890</u> | (Cost \$14,461) | | |
| | | <u>388,115</u> | TOTAL INVESTMENTS (100.3%) | | 7,844,374 |
| TOTAL COMMON STOCKS | | <u>7,279,541</u> | (Cost \$6,645,130) | | |
| (Cost \$6,086,995) | | | LIABILITIES IN EXCESS OF OTHER | | <u>(20,785)</u> |
| EXCHANGE TRADED FUNDS (2.2%) | | | ASSETS (-0.3%) | | |
| Guggenheim China Real Estate ETF | 8,500 | <u>173,230</u> | NET ASSETS (100.0%) | | <u>\$7,823,589</u> |
| TOTAL EXCHANGE TRADED FUNDS | | <u>173,230</u> | (1) Non-income producing. | | |
| (Cost \$144,153) | | | (2) Callable. | | |
| | | | (3) Rate disclosed is the seven day yield as of October 31, 2012. | | |
| | <u>Principal</u> | | ADR — American Depositary Receipt | | |
| CORPORATE BONDS (3.2%) | | | PLC — Public Limited Company | | |
| <i>BUILDING MATERIALS (3.2%)</i> | | | REIT — Real Estate Investment Trusts | | |
| Hanson Australia Funding, Ltd., 5.25%, 3/15/13 (2) | \$250,000 | <u>253,692</u> | | | |
| TOTAL CORPORATE BONDS | | <u>253,692</u> | | | |
| (Cost \$250,081) | | | | | |

See accompanying notes to financial statements.

STATEMENTS OF ASSETS AND LIABILITIES – October 31, 2012

| | <u>Commonwealth Australia/New Zealand Fund</u> | <u>Africa Fund(b)</u> | <u>Commonwealth Japan Fund</u> | <u>Commonwealth Global Fund</u> | <u>Commonwealth Real Estate Securities Fund</u> |
|--|--|-----------------------|------------------------------------|-------------------------------------|---|
| ASSETS: | | | | | |
| Investments, at value (Cost \$15,936,173, \$1,315,715, \$3,581,996, \$10,318,552 and \$6,645,130) | \$21,165,782 | \$1,344,980 | \$3,993,665 | \$13,322,511 | \$7,844,374 |
| Investments in affiliated companies, at value (Cost \$758,318, \$0, \$0, \$0 and \$0) | <u>304,056</u> | — | — | — | — |
| Total Investments, at value (Cost \$16,694,491, \$1,315,715, \$3,581,996, \$10,318,552 and \$6,645,130) | 21,469,838 | 1,344,980 | 3,993,665 | 13,322,511 | 7,844,374 |
| Foreign currency, at value (Cost \$815,862, \$87,420, \$15,186, \$0 and \$0) | 811,225 | 88,239 | 15,144 | — | — |
| Interest and dividends receivable | 130,722 | 816 | 23,916 | 37,382 | 5,066 |
| Receivable for shares of beneficial interest issued | 4,359 | 25 | 14 | 210 | 40 |
| Receivable for investments sold | 34,293 | — | — | — | — |
| Due from adviser | — | 6,162 | — | — | — |
| Prepaid expenses | 28,220 | 6,900 | 10,972 | 23,476 | 16,216 |
| Total Assets | <u>22,478,657</u> | <u>1,447,122</u> | <u>4,043,711</u> | <u>13,383,579</u> | <u>7,865,696</u> |
| LIABILITIES: | | | | | |
| Payable for investments purchased | — | 83,547 | — | — | — |
| Payable for shares of beneficial interest redeemed | 22,050 | — | — | — | 44 |
| Accrued expenses and other payables: | | | | | |
| Management fees | 14,190 | — | 2,567 | 8,600 | 4,982 |
| Administration | 13,876 | 816 | 2,661 | 8,707 | 5,008 |
| Distribution | 9,214 | 558 | 2,219 | 11,076 | 5,265 |
| Accounting and transfer agent | 12,506 | 3,630 | 7,784 | 7,030 | 5,471 |
| Trustee | 9,045 | 461 | 1,761 | 5,795 | 3,437 |
| Compliance | 4,397 | 239 | 836 | 2,768 | 1,592 |
| Custodian | 2,010 | 200 | 846 | 391 | 254 |
| Other | 44,016 | 1,632 | 8,082 | 27,926 | 16,054 |
| Total Liabilities | <u>131,304</u> | <u>91,083</u> | <u>26,756</u> | <u>72,293</u> | <u>42,107</u> |
| NET ASSETS | <u>\$22,347,353</u> | <u>\$1,356,039</u> | <u>\$4,016,955</u> | <u>\$13,311,286</u> | <u>\$7,823,589</u> |
| NET ASSET VALUE, OFFERING PRICE & REDEMPTION PRICE PER SHARE:(a) | | | | | |
| (1,854,646, 132,535, 1,581,553, 942,352 and 694,197, shares of beneficial interest outstanding, respectively.) | <u>\$ 12.05</u> | <u>\$ 10.23</u> | <u>\$ 2.54</u> | <u>\$ 14.13</u> | <u>\$ 11.27</u> |
| NET ASSETS CONSIST OF: | | | | | |
| Paid-in-beneficial interest | \$17,496,514 | \$1,316,837 | \$4,490,806 | \$10,399,273 | \$7,545,108 |
| Accumulated net investment income (loss) | 263,831 | 8,883 | (93,196) | (71,600) | (73,336) |
| Accumulated net realized losses from investments, option contracts, rights and foreign currency transactions | (183,022) | — | (791,707) | (20,346) | (847,427) |
| Net unrealized appreciation on investments, option contracts, rights and foreign currency translations | <u>4,770,030</u> | <u>30,319</u> | <u>411,052</u> | <u>3,003,959</u> | <u>1,199,244</u> |
| NET ASSETS | <u>\$22,347,353</u> | <u>\$1,356,039</u> | <u>\$4,016,955</u> | <u>\$13,311,286</u> | <u>\$7,823,589</u> |

(a) Subject to certain exceptions, a 2% redemption fee is imposed upon shares redeemed within 14 calendar days of their purchase. See Note 3 in the Notes to the Financial Statements. Par value \$0.01, unlimited shares authorized.

(b) Fund inception date is November 7, 2011.

See accompanying notes to financial statements.

STATEMENTS OF OPERATIONS – October 31, 2012

| | Commonwealth Australia/New Zealand Fund | Africa Fund(a) | Commonwealth Japan Fund | Commonwealth Global Fund | Commonwealth Real Estate Securities Fund |
|--|---|------------------|----------------------------|-----------------------------|--|
| INVESTMENT INCOME: | | | | | |
| Interest income | \$ 79,802 | \$ 1,260 | \$ 18 | \$ 2,668 | \$ 12,867 |
| Dividend income, unaffiliated issuers | 1,048,520 | 15,597 | 75,886 | 346,102 | 166,405 |
| Foreign tax withholding | (171,065) | (991) | (5,331) | (21,441) | (670) |
| Total Investment Income | <u>957,257</u> | <u>15,866</u> | <u>70,573</u> | <u>327,329</u> | <u>178,602</u> |
| EXPENSES: | | | | | |
| Management fees (Note 4) | 156,524 | 9,801 | 28,895 | 99,641 | 57,289 |
| Legal fees | 47,021 | 1,558 | 9,191 | 32,446 | 17,167 |
| Administration fees | 166,193 | 6,197 | 30,751 | 106,590 | 61,153 |
| Accounting and transfer agent fees | 79,782 | 19,273 | 50,299 | 47,200 | 37,607 |
| Distribution fees | 52,175 | 1,958 | 9,632 | 33,214 | 19,097 |
| Custodian fees | 11,642 | 829 | 5,198 | 2,360 | 1,452 |
| Miscellaneous fees | 7,778 | 1,132 | 1,976 | 5,091 | 3,111 |
| Audit fees | 30,320 | 1,127 | 5,595 | 19,340 | 11,118 |
| Trustee fees and expenses | 36,549 | 1,537 | 6,793 | 23,815 | 14,007 |
| Consulting services fees | 2,688 | 100 | 497 | 1,726 | 989 |
| Compliance fees | 47,930 | 1,836 | 8,897 | 30,760 | 17,692 |
| Insurance fees | 18,211 | — | 6,007 | 11,258 | 6,067 |
| State registration and filing fees | 22,648 | 18,880 | 19,941 | 18,518 | 18,073 |
| Printing and postage fees | 14,958 | 1,024 | 2,675 | 8,315 | 5,177 |
| Total Expenses | <u>694,419</u> | <u>65,252</u> | <u>186,347</u> | <u>440,274</u> | <u>269,999</u> |
| Waiver of fees and reimbursement of expenses (Note 4) | — | (59,763) | — | — | — |
| Net expenses | <u>694,419</u> | <u>5,489</u> | <u>186,347</u> | <u>440,274</u> | <u>269,999</u> |
| Net Investment Income (Loss) | <u>262,838</u> | <u>10,377</u> | <u>(115,774)</u> | <u>(112,945)</u> | <u>(91,397)</u> |
| REALIZED/UNREALIZED GAIN (LOSS) ON INVESTMENTS, OPTION CONTRACTS, RIGHTS AND FOREIGN CURRENCY TRANSACTIONS: | | | | | |
| Net realized gain (loss) on investments, unaffiliated issuers | 879,348 | — | 123,173 | (19,297) | (132,284) |
| Net realized loss from option contracts | — | — | (38,716) | — | — |
| Net realized gain from rights | 17,003 | — | — | — | — |
| Net realized gain (loss) on foreign currency transactions | (2,300) | (5,517) | 7,014 | — | — |
| Net change in unrealized appreciation (depreciation) on: | | | | | |
| Investments, unaffiliated issuers | 1,602,612 | 28,033 | (215,659) | 577,629 | 1,359,496 |
| Investments, affiliated issuers | (94,621) | — | — | — | — |
| Option contracts | — | — | 5,325 | — | (13,250) |
| Rights | — | 1,232 | — | — | — |
| Foreign currency translations | (10,038) | 1,054 | (155) | — | — |
| Net realized/unrealized gain (loss) from investments, option contracts, rights and foreign currency transactions | <u>2,392,004</u> | <u>24,802</u> | <u>(119,018)</u> | <u>558,332</u> | <u>1,213,962</u> |
| Net Increase (Decrease) In Net Assets Resulting From Operations | <u>\$2,654,842</u> | <u>\$ 35,179</u> | <u>\$(234,792)</u> | <u>\$ 445,387</u> | <u>\$1,122,565</u> |

(a) Reflects operations for the period from November 7, 2011 (inception date) to October 31, 2012.

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN NET ASSETS

| | Commonwealth Australia/New Zealand Fund | | Africa Fund |
|--|--|--------------------------------|-------------------------------------|
| | Year Ended October 31, 2012 | Year Ended October 31, 2011 | Period Ended October 31, 2012(a) |
| OPERATIONS: | | | |
| Net investment income (loss) | \$ 262,838 | \$ 273,084 | \$ 10,377 |
| Net realized gain (loss) from investments | 879,348 | 955,978 | — |
| Net realized gain (loss) from option contracts | — | — | — |
| Net realized gain from rights | 17,003 | — | — |
| Net realized gain (loss) from foreign currency transactions | (2,300) | 31,787 | (5,517) |
| Net change in unrealized appreciation (depreciation) on investments, option contracts, rights and foreign currency translations | 1,497,953 | (1,282,824) | 30,319 |
| Change in net assets resulting from operations | <u>2,654,842</u> | <u>(21,975)</u> | <u>35,179</u> |
| DISTRIBUTIONS TO SHAREHOLDERS: | | | |
| Net investment income: | (231,695) | (370,401) | — |
| Net realized gains: | — | — | — |
| Change in net assets from distributions | <u>(231,695)</u> | <u>(370,401)</u> | <u>—</u> |
| CAPITAL TRANSACTIONS: | | | |
| Proceeds from shares issued | 3,723,251 | 9,208,119 | 1,373,853 |
| Dividends reinvested | 218,231 | 347,588 | — |
| Cost of shares redeemed | (5,429,542) | (12,728,855) | (52,993) |
| Redemption fees | 27 | 3,196 | — |
| Change in net assets resulting from capital transactions | <u>(1,488,033)</u> | <u>(3,169,952)</u> | <u>1,320,860</u> |
| Net increase/(decrease) in net assets | 935,114 | (3,562,328) | 1,356,039 |
| NET ASSETS: | | | |
| Beginning of period | 21,412,239 | 24,974,567 | — |
| End of period | <u>\$22,347,353</u> | <u>\$ 21,412,239</u> | <u>\$1,356,039</u> |
| Accumulated net investment income (loss) | <u>\$ 263,831</u> | <u>\$ 116,904</u> | <u>\$ 8,883</u> |
| SHARE TRANSACTIONS: | | | |
| Issued | 347,614 | 837,765 | 138,021 |
| Reinvested | 22,110 | 34,968 | — |
| Redeemed | (505,576) | (1,207,361) | (5,486) |
| Change in shares | <u>(135,852)</u> | <u>(334,628)</u> | <u>132,535</u> |

(a) Reflects operations for the period from November 7, 2011 (inception date) to October 31, 2012.

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN NET ASSETS

| Commonwealth Japan Fund | | Commonwealth Global Fund | | Commonwealth Real Estate Securities Fund | |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---|--------------------------------|
| Year Ended October 31, 2012 | Year Ended October 31, 2011 | Year Ended October 31, 2012 | Year Ended October 31, 2011 | Year Ended October 31, 2012 | Year Ended October 31, 2011 |
| \$ (115,774) | \$ (128,602) | \$ (112,945) | \$ (57,332) | \$ (91,397) | \$ (122,138) |
| 123,173 | 55,343 | (19,297) | 1,469,039 | (132,284) | (57,660) |
| (38,716) | — | — | — | — | 129,128 |
| — | — | — | — | — | — |
| 7,014 | 10,753 | — | — | — | — |
| <u>(210,489)</u> | <u>(242,493)</u> | <u>577,629</u> | <u>(1,370,525)</u> | <u>1,346,246</u> | <u>(143,807)</u> |
| <u>(234,792)</u> | <u>(304,999)</u> | <u>445,387</u> | <u>41,182</u> | <u>1,122,565</u> | <u>(194,477)</u> |
| — | — | — | — | — | — |
| — | — | (1,332,683) | — | — | — |
| — | — | <u>(1,332,683)</u> | — | — | — |
| 1,092,483 | 6,368,859 | 916,081 | 631,685 | 278,311 | 599,412 |
| — | — | 1,305,051 | — | — | — |
| (634,582) | (6,288,767) | (1,307,983) | (3,963,349) | (871,009) | (2,174,861) |
| 18 | 1,559 | 10 | 1,731 | 11 | 997 |
| <u>457,919</u> | <u>81,651</u> | <u>913,159</u> | <u>(3,329,933)</u> | <u>(592,687)</u> | <u>(1,574,452)</u> |
| 223,127 | (223,348) | 25,863 | (3,288,751) | 529,878 | (1,768,929) |
| <u>3,793,828</u> | <u>4,017,176</u> | <u>13,285,423</u> | <u>16,574,174</u> | <u>7,293,711</u> | <u>9,062,640</u> |
| <u>\$4,016,955</u> | <u>\$ 3,793,828</u> | <u>\$13,311,286</u> | <u>\$13,285,423</u> | <u>\$7,823,589</u> | <u>\$ 7,293,711</u> |
| <u>\$ (93,196)</u> | <u>\$ —</u> | <u>\$ (71,600)</u> | <u>\$ —</u> | <u>\$ (73,336)</u> | <u>\$ 7,413</u> |
| 417,917 | 2,200,096 | 65,767 | 38,001 | 26,926 | 56,916 |
| — | — | 98,607 | — | — | — |
| <u>(241,723)</u> | <u>(2,230,009)</u> | <u>(93,537)</u> | <u>(239,808)</u> | <u>(83,159)</u> | <u>(204,731)</u> |
| <u>176,194</u> | <u>(29,913)</u> | <u>70,837</u> | <u>(201,807)</u> | <u>(56,233)</u> | <u>(147,815)</u> |

See accompanying notes to financial statements.

FINANCIAL HIGHLIGHTS

COMMONWEALTH AUSTRALIA/NEW ZEALAND FUND

Selected data for a share outstanding throughout the years indicated:

| | <u>For the year ended 10/31/12</u> | <u>For the year ended 10/31/11</u> | <u>For the year ended 10/31/10</u> | <u>For the year ended 10/31/09</u> | <u>For the year ended 10/31/08</u> |
|---|--|--|--|--|--|
| Net Asset Value, Beginning of Year | \$ 10.76 | \$ 10.74 | \$ 9.84 | \$ 10.87 | \$ 20.34 |
| Change in net assets from operations: | | | | | |
| Net investment income | 0.14 | 0.12 | 0.08 | 0.08(a) | 1.04 |
| Net realized and unrealized gain (loss) from investments | <u>1.27</u> | <u>0.07(b)</u> | <u>0.82</u> | <u>1.95</u> | <u>(8.47)</u> |
| Total from investment activities | <u>1.41</u> | <u>0.19</u> | <u>0.90</u> | <u>2.03</u> | <u>(7.43)</u> |
| Distributions | | | | | |
| Net investment income | (0.12) | (0.17) | — | (1.80) | (0.60) |
| Net realized gains | <u>—</u> | <u>—</u> | <u>—</u> | <u>(1.26)</u> | <u>(1.44)</u> |
| Total distributions | <u>(0.12)</u> | <u>(0.17)</u> | <u>—</u> | <u>(3.06)</u> | <u>(2.04)</u> |
| Redemption fees | <u>—(c)</u> | <u>—(c)</u> | <u>—(c)</u> | <u>—(c)</u> | <u>—</u> |
| Net Asset Value, End of Year | <u>\$ 12.05</u> | <u>\$ 10.76</u> | <u>\$ 10.74</u> | <u>\$ 9.84</u> | <u>\$ 10.87</u> |
| Total return | <u>13.31%</u> | <u>1.85%</u> | <u>9.15%</u> | <u>29.09%</u> | <u>(40.25)%</u> |
| Net assets at end of year (000's) | \$22,347 | \$21,412 | \$24,975 | \$28,975 | \$19,964 |
| Ratios/Supplemental Data: | | | | | |
| Ratio of net expenses to average net assets | 3.32% | 3.08% | 3.24% | 3.59% | 2.74% |
| Ratio of gross expenses before reimbursement | 3.32% | 3.08% | 3.24% | 3.59% | 2.74% |
| Ratio of net investment income to average net assets | 1.26% | 1.20% | 1.05% | 0.95% | 5.67% |
| Portfolio turnover rate | 8% | 22% | 12% | 34% | 21% |

(a) Calculated using the average shares method.

(b) The amount of net gain from securities (both realized and unrealized) per share, does not accord with the amounts reported in the Statements of Operations due to the timing of purchases and redemptions of Fund shares during the year.

(c) Value is less than \$0.005 per share.

See accompanying notes to financial statements.

FINANCIAL HIGHLIGHTS

AFRICA FUND

Selected data for a share outstanding throughout the period indicated:

| | For the period ended 10/31/12(a) |
|--|---|
| Net Asset Value, Beginning of Period | <u>\$10.00</u> |
| Change in net assets from operations: | |
| Net investment income | 0.08 |
| Net realized and unrealized gain from investments | <u>0.15</u> |
| Total from investment activities | <u>0.23</u> |
| Net Asset Value, End of Period | <u>\$10.23</u> |
| Total return | <u>2.30%(b)</u> |
| Net assets at end of period (000's) | \$1,356 |
| Ratios/Supplemental Data: | |
| Ratio of net expenses to average net assets | 0.70%(c)(d) |
| Ratio of gross expenses before reimbursement | 8.32%(c) |
| Ratio of net investment income to average net assets | 1.32%(c) |
| Portfolio turnover rate | —%(b) |

(a) Reflects operations for the period from November 7, 2011 (inception date) to October 31, 2012.

(b) Not annualized for periods less than one year.

(c) Annualized for periods less than one year.

(d) The ratio of net expenses are the combined result of \$9,801 in contractual waivers representing (1.25)% and \$49,962 in voluntary reimbursements representing (6.37)%. Please refer to Note 4, *Related Party Transactions and Other Arrangements*, in the Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

COMMONWEALTH JAPAN FUND

Selected data for a share outstanding throughout the years indicated:

| | <u>For the year ended 10/31/12</u> | <u>For the year ended 10/31/11</u> | <u>For the year ended 10/31/10</u> | <u>For the year ended 10/31/09</u> | <u>For the year ended 10/31/08</u> |
|---|--|--|--|--|--|
| Net Asset Value, Beginning of Year | \$ 2.70 | \$ 2.80 | \$ 2.69 | \$ 2.47 | \$ 3.82 |
| Change in net assets from operations: | | | | | |
| Net investment loss | (0.07) | (0.09) | (0.07) | (0.06)(a) | (0.04) |
| Net realized and unrealized gain (loss) from investments | <u>(0.09)</u> | <u>(0.01)(b)</u> | <u>0.18</u> | <u>0.28</u> | <u>(1.31)</u> |
| Total from investment activities | <u>(0.16)</u> | <u>(0.10)</u> | <u>0.11</u> | <u>0.22</u> | <u>(1.35)</u> |
| Redemption fees | <u>—(c)</u> | <u>—(c)</u> | <u>—(c)</u> | <u>—(c)</u> | <u>—</u> |
| Net Asset Value, End of Year | <u>\$ 2.54</u> | <u>\$ 2.70</u> | <u>\$ 2.80</u> | <u>\$ 2.69</u> | <u>\$ 2.47</u> |
| Total return | <u>(5.93)%</u> | <u>(3.57)%</u> | <u>4.09%</u> | <u>8.91%</u> | <u>(35.34)%</u> |
| Net assets at end of year (000's) | \$4,017 | \$3,794 | \$4,017 | \$4,432 | \$4,905 |
| Ratios/Supplemental Data: | | | | | |
| Ratio of net expenses to average net assets | 4.84% | 3.91% | 4.24% | 4.56% | 3.33% |
| Ratio of gross expenses before reimbursement | 4.84% | 3.91% | 4.24% | 4.56% | 3.33% |
| Ratio of net investment loss to average net assets | (3.01)% | (2.52)% | (2.45)% | (2.58)% | (1.36)% |
| Portfolio turnover rate | 20% | 62% | 10% | 30% | 10% |

(a) Calculated using the average shares method.

(b) The amount of net loss from securities (both realized and unrealized) per share, does not accord with the amounts reported in the Statements of Operations due to the timing of purchases and redemptions of Fund shares during the year.

(c) Value is less than \$0.005 per share.

See accompanying notes to financial statements.

FINANCIAL HIGHLIGHTS

COMMONWEALTH GLOBAL FUND

Selected data for a share outstanding throughout the years indicated:

| | <u>For the year ended 10/31/12</u> | <u>For the year ended 10/31/11</u> | <u>For the year ended 10/31/10</u> | <u>For the year ended 10/31/09</u> | <u>For the year ended 10/31/08</u> |
|---|--|--|--|--|--|
| Net Asset Value, Beginning of Year | \$ 15.24 | \$ 15.44 | \$ 13.40 | \$ 11.16 | \$ 19.97 |
| Change in net assets from operations: | | | | | |
| Net investment loss | (0.12) | (0.07) | (0.12) | (0.10)(a) | (0.02) |
| Net realized and unrealized gain (loss) from investments | <u>0.54</u> | <u>(0.13)(b)</u> | <u>2.16</u> | <u>2.34</u> | <u>(7.60)</u> |
| Total from investment activities | <u>0.42</u> | <u>(0.20)</u> | <u>2.04</u> | <u>2.24</u> | <u>(7.62)</u> |
| Distributions | | | | | |
| Net investment income | — | — | — | — | (0.01) |
| Net realized gains | <u>(1.53)</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>(1.18)</u> |
| Total distributions | <u>(1.53)</u> | <u>—</u> | <u>—</u> | <u>—</u> | <u>(1.19)</u> |
| Redemption fees | <u>—(c)</u> | <u>—(c)</u> | <u>—(c)</u> | <u>—(c)</u> | <u>—</u> |
| Net Asset Value, End of Year | <u>\$ 14.13</u> | <u>\$ 15.24</u> | <u>\$ 15.44</u> | <u>\$ 13.40</u> | <u>\$ 11.16</u> |
| Total return | <u>3.47%</u> | <u>(1.30)%</u> | <u>15.22%</u> | <u>20.07%</u> | <u>(40.36)%</u> |
| Net assets at end of year (000's) | \$13,311 | \$13,285 | \$16,574 | \$14,953 | \$13,328 |
| Ratios/Supplemental Data: | | | | | |
| Ratio of net expenses to average net assets | 3.31% | 3.05% | 3.02% | 3.40% | 2.43% |
| Ratio of gross expenses before reimbursement | 3.31% | 3.05% | 3.02% | 3.40% | 2.43% |
| Ratio of net investment loss to average net assets | (0.85)% | (0.38)% | (0.85)% | (0.92)% | (0.12)% |
| Portfolio turnover rate | 11% | 18% | 10% | 12% | 7% |

(a) Calculated using the average shares method.

(b) The amount of net loss from securities (both realized and unrealized) per share, does not accord with the amounts reported in the Statements of Operations due to the timing of purchases and redemptions of Fund shares during the year.

(c) Value is less than \$0.005 per share.

See accompanying notes to financial statements.

FINANCIAL HIGHLIGHTS

COMMONWEALTH REAL ESTATE SECURITIES FUND

Selected data for a share outstanding throughout the years indicated:

| | <u>For the year ended 10/31/12</u> | <u>For the year ended 10/31/11</u> | <u>For the year ended 10/31/10</u> | <u>For the year ended 10/31/09</u> | <u>For the year ended 10/31/08</u> |
|---|--|--|--|--|--|
| Net Asset Value, Beginning of Year | \$ 9.72 | \$10.09 | \$ 8.42 | \$ 7.56 | \$ 14.21 |
| Change in net assets from operations: | | | | | |
| Net investment loss | (0.13) | (0.16) | (0.09) | (0.01)(a) | (0.08) |
| Net realized and unrealized gain (loss) from investments | <u>1.68</u> | <u>(0.21)(b)</u> | <u>1.76</u> | <u>0.87</u> | <u>(5.45)</u> |
| Total from investment activities | <u>1.55</u> | <u>(0.37)</u> | <u>1.67</u> | <u>0.86</u> | <u>(5.53)</u> |
| Distributions | | | | | |
| Net realized gains | — | — | — | — | (0.95) |
| Return of capital | — | — | — | — | (0.17) |
| Total distributions | — | — | — | — | (1.12) |
| Redemption fees | —(c) | —(c) | — | — | — |
| Net Asset Value, End of Year | <u>\$11.27</u> | <u>\$ 9.72</u> | <u>\$10.09</u> | <u>\$ 8.42</u> | <u>\$ 7.56</u> |
| Total return | <u>15.95%</u> | <u>(3.67)%</u> | <u>19.83%</u> | <u>11.38%</u> | <u>(41.65)%</u> |
| Net assets at end of year (000's) | \$7,824 | \$7,294 | \$9,063 | \$8,189 | \$ 8,190 |
| Ratios/Supplemental Data: | | | | | |
| Ratio of net expenses to average net assets | 3.53% | 3.29% | 3.22% | 3.71% | 2.55% |
| Ratio of gross expenses before reimbursement | 3.53% | 3.29% | 3.22% | 3.71% | 2.55% |
| Ratio of net investment loss to average net assets | (1.20)% | (1.48)% | (0.89)% | (0.11)% | (0.66)% |
| Portfolio turnover rate | 5% | 7% | 21% | 5% | 13% |

(a) Calculated using the average shares method.

(b) The amount of net loss from securities (both realized and unrealized) per share, does not accord with the amounts reported in the Statements of Operations due to the timing of purchases and redemptions of Fund shares during the year.

(c) Value is less than \$0.005 per share.

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS – October 31, 2012

Note 1 – Organization

Commonwealth International Series Trust (the “Trust”) was organized as a Massachusetts business trust on May 8, 1986, and is registered under the Investment Company Act of 1940, as amended (the “1940 Act”), as a diversified open-end management investment company. The Trust currently consists of five diversified series: the Commonwealth Australia/New Zealand Fund (the “Australia/New Zealand Fund”), the Africa Fund (the “Africa Fund”), the Commonwealth Japan Fund (the “Japan Fund”), the Commonwealth Global Fund (the “Global Fund”) and the Commonwealth Real Estate Securities Fund (the “Real Estate Securities Fund”) (each a “Fund” and collectively the “Funds”).

Note 2 – Investment Objectives

Each Fund’s investment objective is to provide long-term capital appreciation and current income. Under normal market conditions, each Fund (other than the Global Fund) invests at least 80% of its assets in the country or asset class specified in its name (i.e., Australia/New Zealand, Africa, Japan or Real Estate).

Note 3 – Significant Accounting Policies

The following is a summary of significant accounting policies consistently followed by the Trust in the preparation of financial statements for the Funds. The policies are in conformity with accounting principles generally accepted in the United States of America (“GAAP”).

A) Valuation of Securities – Each Fund’s assets are valued normally on the basis of market quotations or official closing prices or, if there is no recent last sales price available, reference is made to the last current bid and ask quotation in the principal market in which the securities are normally traded. Equity securities that are traded on the NASDAQ National Market System, for which quotations are readily available, are valued at the official closing price. Debt securities are priced either by using a market quotation or an independent pricing service. The pricing service may use one or more pricing models. Generally, debt instruments with maturities of less than 60 days (short-term debt) are valued at amortized cost or original cost plus interest, which approximates current value. Investments in open-end investment companies are valued at net asset value. If Fund management determines that market quotations or official closing prices are not readily available or do not accurately reflect the fair value for a security, the fair value of the security or securities will be determined in accordance with procedures established by the Board of Trustees (the “Board”). Fair value prices are generally provided by an independent fair value pricing service. The Funds have instituted a policy whereby the value of certain equity securities listed or traded on foreign security exchanges may be valued by an independent fair value pricing service on any day when certain conditions are met. The Australia/New Zealand Fund and Japan Fund have retained an independent fair value pricing service to assist in the fair valuing of these foreign securities. The service utilizes statistical data based on historical performance of securities, markets, and other data in developing factors used to estimate a fair value. In the Australia/New Zealand Fund, the measure is based on a comparison to the iShares MSCI Australia Index Fund and in the Japan Fund it is based on a comparison between the S&P 500 Futures — Tokyo close to the U.S. close.

B) Fair Value Measurements – The Funds’ investments have been categorized by tiers dependent upon the various “inputs” used to determine the fair value of the Funds’ investments. These inputs are summarized in the three broad levels listed below:

- Level 1 – quoted prices in active markets for identical assets.
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, prepayments speeds, credit risk, etc.).
- Level 3 – significant unobservable inputs (including the Fund’s own assumptions in determining the fair value of investments).

The Funds have adopted Accounting Standards Update No. 2011-04, *Fair Value Measurements* (Topic 820) – *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards* (“IFRS”) which amends *Fair Value Measurements and Disclosures* to establish common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with U.S. GAAP and IFRS. Enhanced disclosure is required to detail any transfers into and out of Level 1 and Level 2 measurements and Level 2 and Level 3 measurements and the reasons for the transfers.

A description of the valuation techniques applied to the Fund’s major categories of assets measured at fair value on a recurring basis follows:

Common stocks, preferred stocks, exchange traded funds and short term investments. Securities traded on a national exchange (or reported on the NASDAQ national market) are stated at the last reported sales price on the day of valuation. To the extent these securities are actively traded and valuation adjustments are not applied, they are generally categorized in Level 1 of the fair value hierarchy. Investments in other open-end registered

NOTES TO FINANCIAL STATEMENTS – October 31, 2012 (Continued)

investment companies are valued at net asset value. Short term investments may be valued using amortized cost which approximates fair value. Securities traded on inactive markets, valued by reference to similar instruments or whose inputs are observable and timely would be categorized in Level 2 of the fair value hierarchy.

Corporate Bonds. The fair value of corporate bonds may be estimated using recently executed transactions, market price quotations (where observable), bond spreads, and/or credit default swap spreads adjusted for any basis difference between cash and derivative instruments. Corporate bonds are generally categorized in Level 2 of the fair value hierarchy; in instances where prices, spreads, or any of the other aforementioned key inputs are unobservable, they would be categorized in Level 3 of the fair value hierarchy.

Written/Purchased options and Rights. Listed derivatives that are actively traded are valued based on quoted prices from the exchange and are generally categorized in Level 1 of the fair value hierarchy.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

NOTES TO FINANCIAL STATEMENTS – October 31, 2012 (Continued)

The following is a summary of the inputs used to value the Funds' net assets as of October 31, 2012:

| | Australia/New Zealand Fund | | | Total** |
|------------------------|----------------------------|---------|---------|--------------|
| | Level 1 | Level 2 | Level 3 | |
| Security Type | | | | |
| Common Stocks* | \$20,050,717 | \$— | \$— | \$20,050,717 |
| Preferred Stocks* | 503,810 | — | — | 503,810 |
| Corporate Bonds | 861,467 | — | — | 861,467 |
| Short Term Investments | 53,844 | — | — | 53,844 |
| Total | \$21,469,838 | \$— | \$— | \$21,469,838 |

| | Africa Fund | | | Total** |
|------------------------|-------------|---------|---------|-------------|
| | Level 1 | Level 2 | Level 3 | |
| Security Type | | | | |
| Common Stocks* | \$ 704,062 | \$— | \$— | \$ 704,062 |
| Exchange Traded Funds | 517,681 | — | — | 517,681 |
| Sovereign Bonds | 25,250 | — | — | 25,250 |
| Rights | 1,232 | — | — | 1,232 |
| Short Term Investments | 96,755 | — | — | 96,755 |
| Total | \$1,344,980 | \$— | \$— | \$1,344,980 |

| | Japan Fund | | | Total** |
|------------------------|-------------|---------|---------|-------------|
| | Level 1 | Level 2 | Level 3 | |
| Security Type | | | | |
| Common Stocks* | \$3,462,511 | \$— | \$— | \$3,462,511 |
| Call Options | 16,050 | — | — | 16,050 |
| Exchange Traded Funds | 226,250 | — | — | 226,250 |
| Short Term Investments | 288,854 | — | — | 288,854 |
| Total | \$3,993,665 | \$— | \$— | \$3,993,665 |

| | Global Fund | | | Total ** |
|------------------------|--------------|-----------|---------|--------------|
| | Level 1 | Level 2 | Level 3 | |
| Security Type | | | | |
| Common Stocks* | \$ 9,531,065 | \$ — | \$— | \$ 9,531,065 |
| United Kingdom | 1,877,426 | 290,958 | — | 2,168,384 |
| Preferred Stocks* | 722,700 | — | — | 722,700 |
| Short Term Investments | 900,362 | — | — | 900,362 |
| Total | \$13,031,553 | \$290,958 | \$— | \$13,322,511 |

| | Real Estate Securities Fund | | | Total** |
|------------------------|-----------------------------|-----------|---------|-------------|
| | Level 1 | Level 2 | Level 3 | |
| Security Type | | | | |
| Common Stocks* | \$7,279,541 | \$ — | \$— | \$7,279,541 |
| Exchange Traded Funds | 173,230 | — | — | 173,230 |
| Corporate Bonds | — | 253,692 | — | 253,692 |
| Call Options | 123,450 | — | — | 123,450 |
| Short Term Investments | 14,461 | — | — | 14,461 |
| Total | \$7,590,682 | \$253,692 | \$— | \$7,844,374 |

* All sub-categories within Common Stocks and Preferred Stocks represent Level 1 evaluation status. For a detailed breakout by industry, please refer to the Schedule of Investments.

** There were no Level 3 securities held as of October 31, 2012.

NOTES TO FINANCIAL STATEMENTS – October 31, 2012 (Continued)

It is the Fund’s policy to recognize transfers into and out of all Levels at the end of the reporting period. As described in **Note 3 – Significant Accounting Policies** under *A) Valuation of Securities*, certain equity securities listed or traded on foreign exchanges may be valued by an independent fair value pricing service on any day when a significant change in value occurs. As a result of such an event at October 31, 2011, these securities were fair valued by the service and therefore, categorized in Level 2. On October 31, 2012, conditions were not met requiring securities to be fair valued and therefore, categorized in Level 1. During the period ended October 31, 2012, there were several instances where these conditions were met, and as a result, foreign securities in the Australia/New Zealand Fund and the Japan Fund were valued at fair value. During the period ended October 31, 2012, these transactions represent the only significant transfers between each of the three Levels.

The following is a reconciliation of transfers between category levels from October 31, 2011 to October 31, 2012, represented by recognizing the October 31, 2012 market value of securities previously classified as Level 2 as of October 31, 2011 that transferred hierarchies to Level 1 as of October 31, 2012:

| | <u>Australia/New Zealand Fund</u> | <u>Japan Fund</u> |
|-----------------------------------|-----------------------------------|----------------------|
| Transfers into Level 1 | \$ 15,922,232 | \$ 2,959,382 |
| Transfers out of Level 1 | \$ — | \$ — |
| Net Transfers in (out) of Level 1 | <u>\$ 15,922,232</u> | <u>\$ 2,959,382</u> |
| Transfers into Level 2 | \$ — | \$ — |
| Transfers out of Level 2 | <u>\$(15,922,232)</u> | <u>\$(2,959,382)</u> |
| Net Transfers in (out) of Level 2 | <u>\$(15,922,232)</u> | <u>\$(2,959,382)</u> |

C) Currency Translation – For purposes of determining a Fund’s 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 on each U.S. business day. The cost of securities is determined by using an exchange rate provided by an independent third party. 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.

D) Allocations of Expenses – Expenses directly attributable to a Fund are charged directly to that Fund, while expenses which are attributable to more than one Fund, or the Trust, are allocated among the respective Funds based upon relative net assets or some other reasonable method.

E) 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 or as soon as known if after the ex-dividend date. Discounts and premiums on bonds purchased are amortized over the life of the bonds (which may include maturity or call date). Interest income and estimated expenses are accrued daily.

F) Federal Income Taxes – It is each Fund’s policy to comply with the requirements of Subchapter M of the Internal Revenue Code that are applicable to regulated investment companies and to distribute substantially all investment company taxable income and net capital gain to shareholders in a manner which results in no tax cost to the Funds. Therefore, no federal income tax provision is required.

Dividends or interest on foreign securities may be subject to the withholding of the country of domicile’s income tax by tax treaty provisions or otherwise. Generally, there are no foreign taxes applicable to the Funds’ capital gains realized on foreign securities in their country of domicile.

Accounting for Uncertainty in Income Taxes (the “Income Tax Statement”) requires an evaluation of tax positions taken (or expected to be taken) in the course of preparing a Fund’s tax returns to determine whether these positions meet a “more-likely-than-not” standard that, based on the technical merits, have a more than fifty percent likelihood of being sustained by a taxing authority upon examination. A tax position that meets the “more-likely-than-not” recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The Funds recognize interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the Statements of Operations.

The Income Tax Statement requires management of the Funds to analyze all open tax years, fiscal years 2009 – 2012 as defined by IRS statute of limitations for all major jurisdictions, including federal tax authorities and certain state tax authorities. As of and during the fiscal year October 31, 2012, the Funds did not have a liability for any unrecognized tax benefits. The Funds have no examinations in progress and are not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

NOTES TO FINANCIAL STATEMENTS – October 31, 2012 (Continued)

G) 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 GAAP. These differences are primarily due to differing treatments for foreign currency transactions and deferrals of certain losses.

H) Redemption Fees – Redemption fees are applicable to certain redemptions of shares within fourteen calendar days of purchase. The redemption fee is imposed to discourage abusive trading activity, which can have disruptive effects on the Funds' portfolio management and can increase the Funds' expenses. The redemption fees are intended to offset, at least partially, portfolio transaction and administrative costs associated with short-term trading. The shareholder will be charged a fee equal to 2.00% of the amount redeemed and will be charged when shares are sold, exchanged or involuntarily redeemed. In determining the applicability of the redemption fee, shares held for the longest period of time will be treated as being sold first and shares held for the shortest period of time as being sold last. For the year ended October 31, 2012, the Australia/New Zealand Fund, Japan Fund, Global Fund and Real Estate Securities Fund had contributions to capital due to redemption fees in the amount of \$27, \$18, \$10 and \$11, respectively.

I) Option Accounting Principles – A Fund may purchase or write put or call options on futures contracts, individual securities, currencies or stock indices to hedge against fluctuations in securities prices and currency exchange rates and to adjust its risk exposure relative to the benchmark. The Fund may use these derivative transactions for any purpose consistent with its investment objective, such as for hedging, obtaining market exposure, and generating premium income.

When a Fund writes an option, the premium received is recorded as a liability. Each day the option contract liability is valued in accordance with the procedures for security valuation discussed above. When an offsetting option is purchased (a closing transaction) or the option contract expires, the Fund realizes a gain or loss and the liability related to such option contract is eliminated. When a call option is exercised, the Fund realizes a gain or loss from the sale of the underlying security and the proceeds of the sale are increased by the premiums originally received.

When a Fund purchases an option, the premium paid is recorded as an asset. Each day the option contract is valued in accordance with the procedures for security valuation discussed above. When an offsetting option is written (a closing transaction) or the option contract expires, the Fund realizes a gain or loss and the asset representing such option contract is eliminated. When a call option is exercised, the Fund purchases the underlying security and the cost basis of such purchase is increased by the premium originally paid.

J) Forward Currency Contracts – Forward currency transactions may be undertaken to hedge against possible variations in the foreign exchange rates between the U.S. dollar and foreign currencies. 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. Other risks of forward currency transactions include failing to achieve expected benefit, markets moving in a direction that the Funds did not expect, a Fund's inability to be able to close out its position in the hedging instrument, and political and social unrest and the possibility of negative governmental actions. As of October 31, 2012, the Funds held no foreign currency contracts.

K) Repurchase Agreements – In connection with transactions in repurchase agreements, it is the Funds' policy that their custodian bank takes possession of the underlying collateral securities, the fair value of which must be equal to the principal amount of the repurchase agreement including accrued interest throughout the term of the repurchase agreement. If the seller defaults and the fair value of the collateral declines, realization of the collateral value by the Funds may be delayed or limited.

L) Use of Estimates – The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates and these differences could be material.

Note 4 – Related Party Transactions and Other Arrangements

A) Investment Advisor – The Trust, on behalf of each Fund, has retained FCA Corp. as the Funds' investment advisor (the "Advisor"). Under each Fund's Investment Advisory Agreement, the Advisor is paid a monthly fee (the "Management Fee"), calculated daily and payable monthly, equal to an annual rate of 0.75% of the average net assets of each Fund other than the Africa Fund for which it receives 1.25% of the average daily net assets of the Fund. The Advisor has contractually agreed to waive the Management Fee of 1.25% for the Africa Fund through February 28, 2014. The Advisor may not terminate this arrangement prior to February 28, 2014 unless the investment advisory agreement is terminated. The Africa

NOTES TO FINANCIAL STATEMENTS – October 31, 2012 (Continued)

Fund has agreed to repay the Advisor for amounts waived by the Advisor pursuant to the fee waiver agreement to the extent that such repayment occurs within three years of the date of any such waiver and such repayment does not cause the Africa Fund's total fund operating expenses to exceed 3.30%. For the period ended October 31, 2012, the Advisor waived Management Fees in the Africa Fund in the amount of \$9,801 which is subject to recoupment. For the period ended October 31, 2012, the Advisor chose to voluntarily reimburse beyond its contractual agreement in the Africa Fund in the amount of \$49,962, an amount which is not subject to recoupment. Certain officers of the Trust are also officers of FCA.

B) Administration, Fund Accounting and Transfer Agent – UMB Fund Services, Inc. (“UMB”) serves as the administrator, transfer agent and fund accountant to the Funds. For these services UMB receives fees computed at an annual rate of the daily net assets of the Funds, subject to a minimum annual contractual fee. An officer of the Trust also is an employee of UMB, but is paid no fees directly by the Funds for serving as an officer of the Trust.

C) Distribution – UMB Distribution Services, LLC, serves as the principal underwriter for each Fund and receives an annual contractual fee. UMB Distribution Services, LLC is an affiliate of UMB.

Each Fund has adopted a Service and Distribution Plan (each a “Plan”) pursuant to Rule 12b-1 under the 1940 Act, whereby up to 0.35% of the Fund's assets may be used to reimburse the Distributor for costs and expenses incurred in connection with the distribution and marketing of shares of the Fund and the servicing of Fund shareholders. Distribution and marketing expenses include, among other things, printing of prospectuses, marketing literature, and costs of personnel involved with the promotion and distribution of the Fund's shares. These amounts are disclosed on the Statement of Operations under Distribution fees. While the plans permit each Fund to pay up to 0.35% of its average daily net assets to reimburse for certain expenses in connection with the distribution of its shares, the Board of Trustees has currently authorized each Fund to pay out only 0.25% under its Plan. If the Trustees' intention changes on this matter, the Funds will amend or supplement their prospectus. Out of the foregoing amount, each Fund is permitted to pay up to an aggregate of 0.25% of its average daily net assets to reimburse for certain shareholder services.

D) Legal Counsel – The Law Offices of John H. Lively and Associates, Inc., a member firm of The 1940 Act Law GroupTM, serves as legal counsel to the Trust. John H. Lively, Secretary of the Trust, is the owner of The Law Offices of John H. Lively & Associates, Inc., but he receives no special compensation from the Trust or the Funds for serving as an officer of the Trust.

Note 5 – Investments in Affiliates

The Global Fund may invest a portion of its assets in the remaining four funds in the Trust. The Funds are considered to be affiliated under the 1940 Act because they have the same investment advisor. When computing both the advisory fee and the Rule 12b-1 fee for the Global Fund, average daily net assets are reduced by Fund assets invested in the affiliated funds. There were no affiliated holdings for the Global Fund during the year.

A company is considered an affiliate of a Fund under the 1940 Act if the Fund's holdings in that company represent 5% or more of the outstanding voting shares of that company. The Commonwealth Australia/New Zealand Fund's holding below is considered an affiliate of the Fund. Further detail on this holding as of the year ended October 31, 2012 appears below:

| Security Held | Percentage of Ownership | Shares 10/31/11 | Shares 10/31/12 | Fair Value 10/31/11 | Cost of Purchases | Cost of Sales | Change in Appreciation/Depreciation | Fair Value 10/31/12 | Dividend Income | Realized Gain (Loss) |
|---------------------------|-------------------------|-----------------|-----------------|---------------------|-------------------|---------------|-------------------------------------|---------------------|-----------------|----------------------|
| Mowbray Collectables Ltd. | 7.36% | 821,593 | 821,593 | \$398,677 | — | — | (\$94,621) | \$304,056 | \$0 | \$— |

Note 6 – Purchases and Sales of Securities

Purchases and sales of investment securities (excluding short-term securities) by the Funds for the year ended October 31, 2012 were as follows:

| | Purchases | Sales |
|-----------------------------|-------------|-------------|
| Australia/New Zealand Fund | \$1,627,807 | \$3,380,530 |
| Africa Fund | 1,219,013 | — |
| Japan Fund | 726,338 | 813,465 |
| Global Fund | 2,072,048 | 1,339,344 |
| Real Estate Securities Fund | 358,835 | 736,917 |

NOTES TO FINANCIAL STATEMENTS – October 31, 2012 (Continued)

Note 7 – Financial Instruments with Off-Balance Sheet Risk

In the ordinary course of trading activities, certain of the Funds may trade and hold certain fair-valued derivative contracts. Such contracts include forward currency contracts, where the Funds would be obligated to buy currency at specified prices, and written put and call options, where the Funds would be obligated to purchase or sell securities at specified prices (i.e., the options are exercised by the counterparties). The maximum payout for the put option contracts is limited to the number of contracts written and the related strike prices, respectively. The maximum payout for the written call option contracts is limited only by how high the underlying securities strike price rises. Maximum payout amounts could be offset by the subsequent sale, if any, of assets obtained via the execution of a payout event.

The financial instruments contain varying degrees of off-balance sheet risk whereby changes in the market value of securities underlying the financial instruments may be in excess of the amounts recognized in the Statement of Assets and Liabilities. A Fund, as writer of an option, bears the market risk of an unfavorable change in the price of the security underlying the written option. The risk associated with purchasing an option is that the Fund pays a premium whether or not the option is exercised. Additionally, the Funds bear the risk of loss of premium and change in market value should the counterparty not perform under the contract. A call option gives the holder the right to buy the underlying stock from the writer 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. At October 31, 2012, the Funds had no outstanding written options.

NOTES TO FINANCIAL STATEMENTS – October 31, 2012 (Continued)

Note 8 – Derivatives

The Funds' use of derivatives for the year ended October 31, 2012 was limited to options, foreign exchange contracts and rights issuances. The derivative instruments outstanding as of October 31, 2012, as disclosed in the Notes to the Financial Statements, and the amounts of realized and changes in unrealized gains and losses on derivative instruments during the period, as disclosed in the Statements of Operations, serve as indicators of the volume of derivative activity for the Funds. Following is a summary of how these derivatives are treated in the financial statements and their impact on the Funds.

| Fund/Financial Instrument Type | Statements of Assets and Liabilities | | Statements of Operations | | |
|--------------------------------|--|---------|--|--------------------------------|----------------------------------|
| | Location of Asset Derivatives | Value | Location of Gain (Loss) on Derivatives Recognized | Amount of Realized Gain (Loss) | Amount of Unrealized Gain (Loss) |
| Australia/New Zealand Fund | | | | | |
| Rights Issuances | | | Net realized gain from rights | 17,003 | — |
| Africa Fund | | | | | |
| Rights Issuances | Investments, at value (Rights) | 1,232 | Net change in unrealized appreciation/(depreciation) on rights | — | 1,232 |
| Japan Fund | | | | | |
| Equity Contracts | Investments, at value (Purchase options) | 16,050 | Net realized loss from option contracts | (38,716) | — |
| | | | Net change in unrealized appreciation/(depreciation) on option contracts | — | 5,325 |
| Real Estate Securities Fund | | | | | |
| Equity Contracts | Investments, at value (Purchase options) | 123,450 | Net change in unrealized appreciation/(depreciation) on option contracts | — | (13,250) |

NOTES TO FINANCIAL STATEMENTS – October 31, 2012 (Continued)

Note 9 – Tax Matters

As of October 31, 2012, the components of accumulated earnings (deficit) on a tax basis were as follows:

| | Australia/New Zealand Fund | Africa Fund | Japan Fund | Global Fund | Real Estate Securities Fund |
|---|-----------------------------------|--------------------|-------------------|--------------------|------------------------------------|
| Undistributed ordinary income | \$ 310,698 | \$ 8,883 | \$ — | \$ — | \$ — |
| Undistributed long-term capital gains | — | — | — | — | — |
| Tax accumulated earnings | 310,698 | 8,883 | — | — | — |
| Accumulated capital and other losses | (180,946) | — | (881,836) | (91,937) | (898,370) |
| Unrealized appreciation on investments | 4,726,404 | 29,265 | 408,602 | 3,003,950 | 1,176,851 |
| Unrealized appreciation (depreciation) on foreign currency translations | (5,317) | 1,054 | (617) | — | — |
| Total accumulated earnings (deficit) | \$4,850,839 | \$39,202 | \$(473,851) | \$2,912,013 | \$ 278,481 |

At October 31, 2012, the gross unrealized appreciation (depreciation) on investments, foreign currency translations and cost of securities on a tax basis for federal income tax purposes were as follows:

| | Australia/New Zealand Fund | Africa Fund | Japan Fund | Global Fund | Real Estate Securities Fund |
|---|-----------------------------------|--------------------|-------------------|--------------------|------------------------------------|
| Gross unrealized appreciation | \$ 6,724,517 | \$ 60,444 | \$ 815,294 | \$ 3,261,355 | \$1,952,616 |
| Gross unrealized depreciation | (1,998,113) | (31,179) | (406,692) | (257,405) | (775,765) |
| Net unrealized appreciation (depreciation) on foreign currency translations | (5,317) | 1,054 | (617) | — | — |
| Net unrealized appreciation on investments | \$ 4,721,087 | \$ 30,319 | \$ 407,985 | \$ 3,003,950 | \$1,176,851 |
| Tax cost of investments | \$16,743,434 | \$1,315,715 | \$3,585,063 | \$10,318,561 | \$6,667,523 |

The difference between cost amounts for financial statement and federal income tax purposes is due primarily to wash sale loss deferrals, and passive foreign investment companies.

The tax character of distributions paid during the tax years ended October 31, 2012 and 2011 were as follows (no distributions were paid in the other Funds):

| | Australia/New Zealand Fund | | Global Fund | |
|-----------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Year Ended October 31, 2012 | Year Ended October 31, 2011 | Year Ended October 31, 2012 | Year Ended October 31, 2011 |
| Distributions paid from: | | | | |
| Ordinary Income | \$231,695 | \$370,401 | \$ — | \$— |
| Net long-term capital gains | — | — | 1,332,683 | — |
| Total distributions paid | \$231,695 | \$370,401 | \$1,332,683 | \$— |

NOTES TO FINANCIAL STATEMENTS – October 31, 2012 (Continued)

As of October 31, 2012, the following funds had net capital loss carryforwards which are available to offset future net capital gains, if any:

| | Australia/New Zealand Fund | Japan Fund | Global Fund | Real Estate Securities Fund | |
|---------------------------------|-------------------------------|------------------|-----------------|--------------------------------|------------------|
| | Short-term | Short-term | Short-term | Short-term | Long-term |
| For losses expiring October 31, | | | | | |
| 2016 | \$ — | \$ — | \$ — | \$169,716 | \$ — |
| 2017 | 180,946 | 791,707 | — | — | — |
| 2018 | — | — | — | 493,840 | — |
| Non-Expiring | — | — | 20,337 | — | 155,540 |
| | <u>\$180,946</u> | <u>\$791,707</u> | <u>\$20,337</u> | <u>\$663,556</u> | <u>\$155,540</u> |

Capital loss carryovers are available to offset future realized capital gains and thereby reduce further taxable gain distributions. During the year ended October 31, 2012, the Australia/New Zealand Fund and Japan Fund utilized \$778,267 and \$84,457, respectively, of their capital loss carryovers.

As of October 31, 2012, the Japan, Global and Real Estate Securities Funds, respectively, had \$90,129, \$71,600 and \$79,274 of qualified late-year ordinary losses, which are deferred until fiscal year 2013 for tax purposes. Net late-year losses incurred after December 31, and within the taxable year are deemed to arise on the first day of the Fund's next taxable year.

Note 10 – Revolving Credit Agreement

The Trust has in place an Amended and Restated Revolving Credit Agreement (the "Agreement") with its custodian, Fifth Third Bank N.A. (the "Bank"). Pursuant to the terms of the Agreement, the Bank makes available to the Trust, a line of credit facility under which the Bank may make loans to the Trust, on behalf of the Funds, from time to time. The Agreement provided a line of credit in an amount of up to \$3,500,000 for the Trust with respect to all of the Funds. The Agreement further limits the amount that any Fund may borrow to the lesser of 1/3 of the value of its net assets taken at market value, at the time of the borrowing, including the amount borrowed, or 5% of the Fund's total assets valued at cost, excluding the amount borrowed. Under the terms of the Agreement, any principal balance outstanding would bear interest at the Federal Funds Rate in effect at that time plus 1.50%. No borrowings were outstanding under the Agreement as of October 31, 2012.

Note 11 – Reclassification of Capital Accounts

The Funds have recorded reclassifications in their capital accounts. These reclassifications have no impact on the net asset value of the Funds and are designed generally to present undistributed net investment income and accumulated net realized gain (loss) on a tax basis which is considered to be more informative to the shareholder. As of October 31, 2012, the Funds recorded the following reclassifications to increase (decrease) the capital accounts listed below:

| | Australia/New Zealand Fund | Africa Fund | Japan Fund | Global Fund | Real Estate Securities Fund |
|--|-------------------------------|-------------|------------|-------------|--------------------------------|
| Paid-in-beneficial interest | \$ — | \$(4,023) | \$(15,564) | \$(41,366) | \$(10,648) |
| Accumulated net investment income (loss) | 115,784 | (1,494) | 22,578 | 41,345 | 10,648 |
| Accumulated net realized losses from investments, option contracts, rights and foreign currency transactions | (115,784) | 5,517 | (7,014) | 21 | — |

Note 12 – Contractual Obligations

Under the Funds' organizational documents, its Trustees and Officers are indemnified against certain liabilities arising out of the performance of their duties to the Funds. In the normal course of business, the Funds enter into contracts that contain various representations and warranties and provide general indemnifications. The Funds' maximum exposure under these arrangements is dependent on future claims against the Funds and is presently unknown.

NOTES TO FINANCIAL STATEMENTS – October 31, 2012 (Continued)

Note 13 – Concentration of Market Risk

The Australia/New Zealand Fund has a majority of its investments in securities issued by Australian and New Zealand issuers and the Japan Fund invests primarily in securities of Japanese issuers. Investing in companies from specific geographic regions, such as Australia, New Zealand or Japan, may pose additional risks inherent to a region's economic and political situation. These events will not necessarily affect the U.S. economy or similar issuers located in the U.S. In addition, investments in Australia, New Zealand or Japan may be denominated in foreign currencies. As a result, changes in the values of these currencies compared to the U.S. dollar may affect (positively or negatively) the value of the Funds' investments. These events may happen separately from, and in response to, events that do not otherwise affect the values of the securities in the issuers' home countries.

The Africa Fund may be exposed to additional market risks by focusing its investments on issuers in African countries that other funds invested in securities of issuers in a broader region may not be exposed to. The Fund is highly dependent on the state of economies of countries throughout Africa and, in particular Sub-Saharan countries. Changes in economies, tax policies, inflation rates, governmental instability, war or other political or economic factors may affect (positively or negatively) the Fund's investments.

A large portion of investments held by the Real Estate Securities Fund are considered investments in the real estate sector of the market, which may include REITs. Investing in REITs involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. Equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of any credit extended. REITs are dependent upon management skills, are not diversified, are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs are also subject to the possibilities of failing to qualify for tax-free pass through of income and maintaining their exemption from registration under the 1940 Act. Investing in a single market sector may be riskier than investing in a variety of market sectors.

Note 14 – Legal Matters

On October 22, 2010, Edward S. Weisfelner, as Trustee of the LB Creditor Trust (the "Plaintiff"), filed a suit in the Supreme Court of the State of New York in the County of New York against, among numerous other defendants, the Trust's custodian (the "Custodian") as a record holder of shares of Lyondell Chemical Company ("Lyondell"). The action was removed to the United States District Court for the Southern District of New York and then referred to the United States Bankruptcy Court for the Southern District of New York. Among the shares alleged to have been held by the Custodian were 10,000 shares for which the Commonwealth Global Fund (the "Global Fund") was a beneficial shareholder. On December 19, 2011, the Plaintiff filed a Second Amended Complaint in the U.S. Bankruptcy Court, Southern District of New York, naming the Global Fund as a defendant. Generally, the Plaintiff's claim alleges that a merger transaction, which closed on December 20, 2007, in which the Global Fund and the other shareholders of Lyondell disposed of their positions in Lyondell caused Lyondell to be insolvent and ultimately resulted in Lyondell filing for bankruptcy protection. Lyondell sought bankruptcy protection in cases filed on January 6, 2009 and April 24, 2009. The Plaintiff's claim further alleges that, under various theories under state law, the transaction constituted a fraudulent transfer. The Plaintiff is seeking to set aside and recover the entire amount of the transfer, which is alleged to be approximately \$5.9 billion. The Global Fund's proceeds from the transaction amounted to \$479,700. As of this date, the suit has only involved preliminary procedural filings, including Motions to Dismiss the Complaint. To date, the Trust has joined in the response with several other defendants in the case seeking to dismiss the claims. The Court has not yet rendered a decision as to the motion to dismiss. The Trust expects to continue participating in the defense of this case, albeit as a direct defendant.

Note 15 – Subsequent Events

Within the financial statements, the Funds are required to recognize the effects of all subsequent events that provide additional evidence about conditions that existed as of the date of the Statement of Assets and Liabilities. For non-recognized subsequent events that must be disclosed to keep the financial statements from being misleading, the funds are required to disclose the nature of the event as well as an estimate of its financial effect, on a statement that such an estimate cannot be made. Management has evaluated subsequent events through the issuances of these financial statements and has noted no such events.

Note 16 – New Accounting Pronouncements

In December 2011, FASB issued ASU No. 2011-11 related to disclosures about offsetting assets and liabilities. The amendments in this ASU require an entity to disclose information about offsetting and relating arrangements to enable users of its financial statements to understand the effect of those arrangements on its financial positions. The ASU is effective for annual reporting periods beginning on or after January 1, 2013 and interim periods within those annual periods. The guidance requires retrospective application for all comparative periods presented. Management is currently evaluating the impact these amendments may have on the Funds' financial statements.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM



**To the Shareholders and the Board of Trustees of
Commonwealth International Series Trust**

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Commonwealth Australia/New Zealand Fund, Commonwealth Japan Fund, Commonwealth Global Fund and Commonwealth Real Estate Securities Fund, each a series of shares of beneficial interest of Commonwealth International Series Trust, as of October 31, 2012, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended. We have also audited the accompanying statement of assets and liabilities of Africa Fund, a series of shares of beneficial interest of Commonwealth International Series Trust, including the schedule of investments, as of October 31, 2012, the related statements of operations and changes in net assets and the financial highlights for the period November 7, 2011 (inception date) through October 31, 2012. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of October 31, 2012, by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Commonwealth Australia/New Zealand Fund, Africa Fund, Commonwealth Japan Fund, Commonwealth Global Fund and Commonwealth Real Estate Securities Fund, as of October 31, 2012, the results of their operations for the year or period then ended, the changes in their net assets for each of the two years or period in the period then ended and their financial highlights for each of the five years or period in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

BBD, LLP

BBD, LLP

**Philadelphia, Pennsylvania
December 20, 2012**

ADDITIONAL INFORMATION – October 31, 2012 (Unaudited)

Table of Shareholder Expenses

As a shareholder of the Funds, you incur ongoing costs, including management fees, distribution and service fees, and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Funds and compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from May 1, 2012 through October 31, 2012.

Actual Expenses

The table below provides information about actual account values and actual expenses. You may use the information below, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the table under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

| | Beginning Account Value 5/1/12 | Ending Account Value 10/31/12 | Expenses Paid During Period* 5/1/12 – 10/31/12 | Expense Ratio During Period 5/1/12 – 10/31/12 |
|-----------------------------|---|--|---|--|
| Australia/New Zealand Fund | \$1,000.00 | \$1064.50 | \$17.07 | 3.29% |
| Africa Fund | 1,000.00 | 987.50 | — | — |
| Japan Fund | 1,000.00 | 927.00 | 23.44 | 4.84 |
| Global Fund | 1,000.00 | 986.10 | 16.47 | 3.30 |
| Real Estate Securities Fund | 1,000.00 | 1032.10 | 17.88 | 3.50 |

Hypothetical Example for Comparison Purposes

The table below provides information about hypothetical account values and hypothetical expenses based on each Fund’s actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund’s actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads), or exchange fees. Therefore, the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

| | Beginning Account Value 5/1/12 | Ending Account Value 10/31/12 | Expenses Paid During Period* 5/1/12 – 10/31/12 | Expense Ratio During Period 5/1/12 – 10/31/12 |
|-----------------------------|---|--|---|--|
| Australia/New Zealand Fund | \$1,000.00 | \$1,008.50 | \$16.61 | 3.29% |
| Africa Fund | 1,000.00 | 1,025.00 | — | — |
| Japan Fund | 1,000.00 | 1,000.70 | 24.34 | 4.84 |
| Global Fund | 1,000.00 | 1,008.40 | 16.66 | 3.30 |
| Real Estate Securities Fund | 1,000.00 | 1,007.40 | 17.66 | 3.50 |

* Expenses are equal to the average account value times the Fund’s annualized expense ratio multiplied by 184 (the number of days in the most recent fiscal half-year) divided by 366 (the number of days in the fiscal year) to reflect the one-half year period.

TAX INFORMATION UNAUDITED

Pursuant to the foreign tax credit election under Section 853 of the Internal Revenue Code of 1986, the Australia/New Zealand Fund designates \$403,882 of income derived from foreign sources and \$171,065 of foreign taxes paid, for the year ended October 31, 2012.

Of the ordinary income distributions made by the Australia/New Zealand Fund during the year ended October 31, 2012, the proportionate share of income derived from foreign sources attributable to one share of stock, or the amount determined to be necessary, is \$0.2177 and the proportionate share of foreign taxes attributable to one share of stock is \$0.0922.

ADDITIONAL INFORMATION – October 31, 2012 (Unaudited) (Continued)

Qualified Dividend Income

Pursuant to Section 854 of the Internal Revenue Code of 1986, the Australia/New Zealand and Africa Funds, respectively, designate income dividends of 100.00% and 100.00% as qualified dividend income paid during the fiscal year ended October 31, 2012.

The Global Fund designates \$1,332,683 as long-term capital gains distributions for the fiscal year ended October 31, 2012.

Disclosure of Portfolio Holdings

The Funds file their complete schedule of portfolio holdings with the Securities and Exchange Commission (the “Commission”) for the first and third quarters of each fiscal year on Form N-Q. The Funds’ Forms N-Q is available on the Commission’s website at <http://www.sec.gov>. The Funds’ Forms N-Q may be reviewed and copied at the Commission’s Public Reference Room in Washington, DC. Information on the operation of the Commission’s Public Reference Room may be obtained by calling 800-SEC-0330.

Proxy Voting

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available without charge, upon request, by calling 888-345-1898, and on the Commissions website at <http://www.sec.gov>.

Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, upon request, by calling 888-345-1898, and on the Commission’s website at <http://www.sec.gov>.

TRUSTEES AND OFFICERS – October 31, 2012 (Unaudited)

Overall responsibility for management of the Funds rests with the Board of Trustees. The names of the Trustees and Officers of the funds, their addresses, ages and principal occupations during the past five years are provided in the tables below. Trustees who are deemed “interested persons,” as defined in the 1940 Act, are included in the table titled, “Interested Trustees.” Trustees who are not “interested persons” are referred to as Independent Trustees. The Funds’ Statement of Additional information includes additional information about the Funds’ Trustees and is available, without charge and upon request, by calling 888-345-1898.

| Name, Address and Age | Position(s) With Fund | Term of Office and Length of Time Served | Principal Occupation(s) for the Last Five Years | Number of Portfolios in Complex Overseen by Trustee/Officer⁽³⁾ | Other Directorships Held By Trustee/Officer |
|--|-------------------------------------|--|---|--|--|
| INTERESTED TRUSTEES: | | | | | |
| Robert Scharar ⁽¹⁾ 791 Town & Country Blvd, Suite 250 Houston, TX 77024-3925 Age 64 | President, Interested Trustee | Indefinite until Successor elected and qualified; since 2000 | Investment manager/Attorney/CPA; President, FCA Corp (investment advisor), 1975 to present. | 5 | See Below ⁽²⁾ |
| INDEPENDENT TRUSTEES: | | | | | |
| John Akard, Jr. 791 Town & Country Blvd, Suite 250 Houston, TX 77024-3925 Age 46 | Independent Trustee | Indefinite until Successor elected and qualified; since 2000 | Owner, John Akard Jr. P.C. (and its predecessor) (law firm), 1996 to present; Of Counsel, Coplen & Banks, P.C. (and its predecessor) (law firm), 1999 to present, Attorney/CPA. | 5 | None |
| Kathleen Kelly 791 Town & Country Blvd, Suite 250 Houston, TX 77024-3925 Age 60 | Independent Trustee | Indefinite until Successor elected and qualified; since 2000 | Honorary Consul, New Zealand Consulate, 1995 to present; Owner, International Protocol Advisors (consulting services), August 1992 to present. | 5 | None |
| Jack Ewing 791 Town & Country Blvd, Suite 250 Houston, TX 77024-3925 Age 73 | Independent Trustee | Indefinite until Successor elected and qualified; since 2000 | Adjunct Economics Professor, University of Houston-Downtown, 2005 to present; Adjunct Professor, Lonestar College, 2001 to present; Professor, Houston Community College, September 2000 to May 2011. | 5 | None |

- (1) Robert Scharar is considered an “interested person” of the Funds’ as that term is defined in the Investment Company Act of 1940, as amended, because he is an officer of the Trust and an officer of the Trust’s investment advisor.
- (2) Mr. Scharar is also an officer, director and/or manager of the following companies: NICO Holdings, Ltd. (Malawi), Africap, LLC, First Commonwealth Holdings Corporation, First Commonwealth Mortgage Trust, Holly Mortgage Trust, Ivy Realty Trust, Nashville Properties, Inc., subsidiary companies at some of the above, and other closely held entities.
- (3) The five (5) portfolios comprising the Trust include the five mutual funds covered by this annual report.

TRUSTEES AND OFFICERS – October 31, 2012 (Unaudited)

| Name, Address and Age | Position(s) With Fund | Term of Office and Length of Time Served | Principal Occupation(s) for the Last Five Years | Number of Portfolios in Complex Overseen by Trustee/Officer | Other Directorships Held By Trustee/Officer |
|--|--------------------------|--|---|--|--|
| OFFICERS: | | | | | |
| Terrance P. Gallagher 803 W. Michigan St. Milwaukee, WI 53233 Age 54 | Treasurer | Since 2010 | Attorney/CPA, Executive Vice-President, UMB Fund Services, Inc. 2007 to present, Senior Vice-President, Director of Compliance, Unified Fund Services, 2005 – 2007 | N/A | N/A |
| John H. Lively 11300 Tomahawk Creek Parkway, Ste. 310 Leawood, KS 66211 Age 43 | Secretary | Since 2008 | Attorney, The Law Offices of John H. Lively & Associates, Inc. (law firm), March 2010 to present; Attorney, Husch Blackwell Sanders LLP (law firm), March 2007 to February 2010; Managing Attorney, Raymond James Financial (financial services), September 2005 to March 2007 | N/A | N/A |
| Bonnie Scott 791 Town & Country Blvd, Suite 250 Houston, TX 77024-3925 Age 63 | Assistant Secretary | Since 2003 | Administrator, FCA Corp (investment advisor), 1998 to present. | N/A | N/A |
| Stephen E. Fodo 2515 Golden Pond Drive Kingwood, TX 77345 Age 70 | CCO | Since 2004 | Independent Consultant from January 2000 to present. Advisory Director, Ingenero Inc., Engineering and Consulting Services, from January 2002 to present; Chief Financial Officer, Organic Fuels Holdings Inc., October 2007 to December 2008; Adjunct Professor, University of Phoenix, July 2003 to October 2008. | N/A | N/A |

