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Series Trust**

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Kansas City, MO 64112

**The Commonwealth International  
Series Trust  
Australia/New Zealand Fund  
Japan Fund  
Global Fund  
Real Estate Securities Fund**



**ANNUAL REPORT**

**October 31, 2008**

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Commonwealth Australia/New Zealand Fund (CNZLX)  
Commonwealth Japan Fund (CNJFX)  
Commonwealth Global Fund (CNGFX)  
Commonwealth Real Estate Securities Fund (CNREX)  
[www.commonwealthfunds.com](http://www.commonwealthfunds.com)

**Dear Shareholder:**

We are pleased to present the enclosed annual report on the Commonwealth International Series Trust on behalf of its separate series: the Commonwealth Australia/New Zealand Fund, Commonwealth Japan Fund, Commonwealth Global Fund and Commonwealth Real Estate Securities Fund (each a “Fund” and together the “Funds”) for the 12 months ended October 31, 2008.

The turmoil and volatility in global financial and commodity markets have made recently released economic data irrelevant literally overnight. Confidence in global financial institutions and markets has been shaken badly. Global financial markets, battered by the housing downturn and subsequent credit crisis, have now been in turmoil for over a year. The crisis began to unfold in mid 2007, with adverse news about the U.S. sub-prime mortgage market gaining prominence in the summer of '07. By August 2007, problems in credit markets had become widespread, and spreads in inter-bank markets had increased significantly.

There is no doubt that the world is in the midst of a systemic financial crisis which, in duration and magnitude, has not been seen in decades. This crisis which began in the U.S. has now engulfed most developed world economies. Banks and other key financial institutions have failed or have required massive financial aid in the U.S., Europe and the United Kingdom. Prices across key asset classes have fallen, including shares, commodities, and residential and commercial property. The financial system in many countries is no longer functioning properly, in the sense that it is not facilitating the flow of funds from those with surpluses to those who wish to borrow. In much of the developed world there is now a true “credit crunch” in that some normally credit-worthy borrowers are unable to obtain financing at any price.

Current equity market pricing seems cheap versus historical prices and valuation multiples, such as price-to-book value<sup>1</sup> and price-to-earnings ratios<sup>2</sup>. Comparative interest rate spreads on corporate bonds also appear cheap based on historical yield spreads to government bonds. Factoring in major currency swings, driven by safety concerns versus traditional metrics like balance of payments, interest spreads, and economic comparative analyses adds further confusion to the investment process.

Our investment theme remains relatively unchanged. Shareholders select the Funds for their attributes, the investment policy and the targeted markets they are designed to offer. In many cases this could be an asset allocation decision by our shareholders. We continue to offer this differential characteristic among our Funds coupled with a fundamental based approach to investment selection.

## COMMONWEALTH INTERNATIONAL SERIES TRUST

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In closing, as we reflect on our eighteenth year as the investment advisor to the Commonwealth International Series 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.



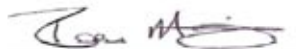
Robert W. Scharar  
President and Portfolio Manager  
Commonwealth International Series Trust



Wesley R. Yuhnke  
Assistant Portfolio Manager  
Commonwealth International Series Trust



Carlos Rubio  
Assistant Portfolio Manager  
Commonwealth International Series Trust



Ronald Manning  
Assistant Portfolio Manager  
Commonwealth International Series Trust

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<sup>1</sup> The ratio of price-to-book value gives an investor an idea about the relationship between the stock's price and the company's underlying value. Other things being equal, people who invest for value prefer companies with a low ratio of price-to-book value.

<sup>2</sup> Price-to-earnings ratio is the valuation ratio of a company's current share price to its per-share earnings. A high P/E means high projected earnings in the future.

## COMMONWEALTH INTERNATIONAL SERIES TRUST

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### **Questions and Answers**

To help shareholders better understand key attributes of the Funds and their operations, the following Q&A is provided.

#### **Who is the advisor?**

The Funds' investment advisor is FCA Corp. ("FCA"). FCA is registered with the Securities and Exchange Commission ("SEC") as an investment advisor. FCA is located at 5847 San Felipe, Suite 850, Houston, Texas 77057.

#### **Why do our Funds include shares of foreign companies?**

The Funds invest in companies outside the United States because the Advisor believes that there are significant investment opportunities in select foreign markets and a U.S. investor can benefit from the diversification that investments outside the United States can provide. For a U.S. investor, allocation of a portion of the investor's portfolio to international securities can provide the potential to diminish risk and achieve more consistent long-term performance in the investor's overall portfolio. International investing also offers exposure to more companies and other nation's economies.

#### **What are some of the factors influencing a Fund's portfolio turnover?**

Each Fund generally invests in equity securities with the view to hold them long-term and debt securities to hold to maturity. The portfolio's 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 Fund subscriptions, Fund income, or security sales proceeds; or selling securities to cover shareholder 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.

#### **How can the size of a Fund impact its expense ratio?**

The operating expense ratios of mutual funds that invest overseas can be expected to be higher than those of mutual funds investing exclusively in securities of United States issuers, since certain costs (such as custodial, valuation and communications) tend to be higher when investing abroad. As with every mutual fund, size has an impact on the expense ratio. Typically, larger funds can have lower expense ratios as there is an increased opportunity to spread out fixed and partially-fixed costs necessary to operate the fund over a larger asset base. Such fund expenses are allocated on a daily basis among all its shareholders. This is evidenced by the Commonwealth Australia/New Zealand Fund which grew from assets of \$4.53 million and an expense ratio of 5.74% on October 31, 2001 to assets of \$19.96 million and an expense ratio of 2.74% for the period ended October 31, 2008.

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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 current Funds' Prospectus, which may be obtained at [www.commonwealthfunds.com](http://www.commonwealthfunds.com) or from the principal distributor of the Funds or your broker.

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.

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

### PERFORMANCE OVERVIEW - October 31, 2008 (Unaudited)

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The Commonwealth Australia/New Zealand Fund's Net Asset Value (NAV) as of October 31, 2008 was \$10.87 per share compared to \$20.34 per share on October 31, 2007. On December 27, 2007, the Fund made distributions of \$2.03 per share. For the twelve month period ended October 31, 2008, the Commonwealth Australia/New Zealand Fund posted a -40.22% cumulative total return, assuming reinvestment of gross distributions, compared with the Australian All Ordinaries Index<sup>1</sup> and the NZX 50 Index<sup>2</sup>, which returned -57.85% and -48.99%, respectively, during the same period. The Fund does not attempt to track an index, but rather undertakes investments on the basis of fundamental research. The Fund also invests a portion of its assets in fixed income investments. The Fund's total return is presented net of Fund expenses, which means that the Fund's performance is reduced by applicable Fund fees and expenses whereas the index returns do not include any such fees.

In late July, in response to deteriorating economic conditions, the Reserve Bank of New Zealand began to loosen monetary policy, which had been on hold since July 2007. The Reserve Bank of Australia also began lowering interest rates in response to slower economic growth. Despite continued short-term inflationary pressures, we expect monetary policy to ease further in 2009. Both currencies had appreciated for most of 2006-07 on the heels of higher interest rates and rising commodity prices. In the second half of 2008, these factors reversed: commodity prices tumbled and interest rates declined. The currencies popularity among "carry-traders," who borrow cheaply in low-yielding currencies, such as the Japanese Yen, and invest in countries such as Australia and New Zealand where interest rates are much higher, appears to be coming to an end. For the fiscal year, the New Zealand dollar declined nearly 25% against the U.S. dollar, while the Australian dollar depreciated nearly 30% over the same period.

The decline in the currencies coupled with substantial declines in equity prices in both countries materially affected the Fund's returns during the fiscal year. Equity markets significantly underperformed debt markets during the year; the Fund's investments in fixed income and other debt securities generally outperformed the Fund's equity positions while also reducing volatility, which was a significant factor in the Fund's out-performance versus the Australian All Ordinaries Index and the NZX 50 Index. This positive impact was especially gratifying since the Fund's allocation to fixed-income and other debt securities in prior-years under-performed the equity markets. As of October 31, 2008, the Fund's investments in fixed-income and preferred stocks were 26.5% of net assets which includes the Fund's holdings in exchange listed structured debt instruments that represent 6.9% of net assets.\*

#### **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 the Fund will fluctuate as the value of the securities in the portfolio changes.*

*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 is non-diversified and invests primarily in industries located principally in Australia and New Zealand, 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 the Fund.*

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\* Portfolio composition is subject to change.

<sup>1</sup> The Australian All Ordinaries Index 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.

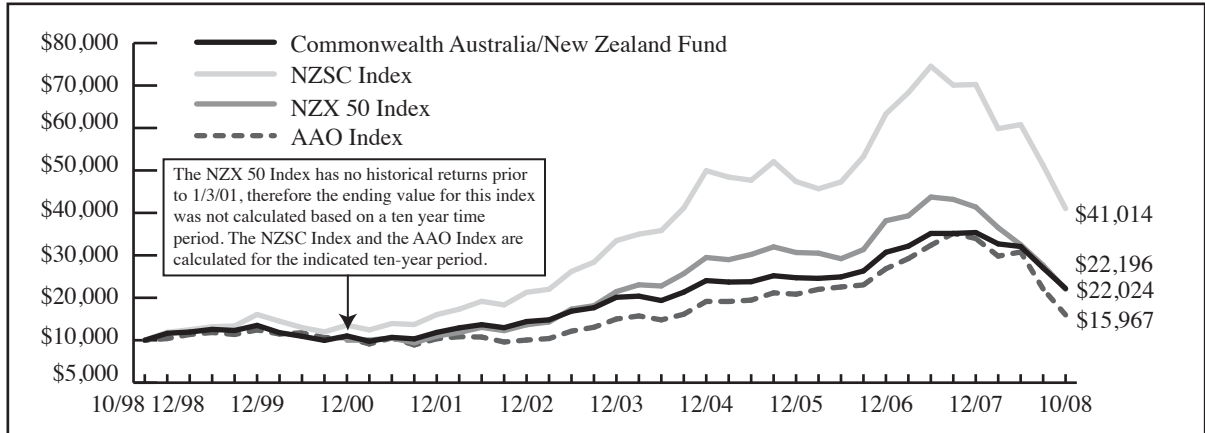
<sup>2</sup> The NZX 50 Index is a modified market capitalization weighted index. This index consists of the top 50 companies by free float adjusted market capitalization that are listed on the New Zealand Stock Exchange.

The above indices are unmanaged, are 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.

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

**PERFORMANCE OVERVIEW - October 31, 2008 (Unaudited)**

**Comparison of Change in Value of a \$10,000 Investment in the Commonwealth Australia/New Zealand Fund, the NZSC, NZX 50 and AAO Indices.**



The above graph is a hypothetical \$10,000 investment in the Commonwealth Australia/New Zealand Fund from 10/98 to 10/08, and represents the reinvestment of dividends and distributions in the Fund.

	Average Annual Total Return as of October 31, 2008			Gross Expense Ratio <sup>1</sup>
	1 Year	5 Year	10 Year	
Commonwealth Australia/New Zealand Fund	-40.22%	3.31%	8.30%	2.56%
New Zealand SmallCap Index (“NZSCI Index”)	-43.54%	6.05%	15.18%	
NZX 50 Index	-48.99%	3.12%	—	
Australian All Ordinaries Index (“AAOI Index”)	-57.85%	2.64%	4.79%	

**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 1-888-345-1898.**

<sup>1</sup> The above expense ratio is from the Funds’ prospectus dated February 28, 2008. Additional information pertaining to the Funds’ expense ratios as of October 31, 2008 can be found in the financial highlights. Excluding the indirect costs of investing in acquired funds, total fund operating expenses would be 2.55%.

The Fund’s performance is measured against the New Zealand SmallCap Index, a capitalization-weighted index of all New Zealand equities, excluding those in the New Zealand Stock Exchange 50 Index; the NZX50 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; and the Australian All Ordinaries Index, an index made up of the largest 500 companies as measured by market capitalization that are listed on the Australian Stock Exchange. These indices are unmanaged, are 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.

**You should carefully consider the investment objectives, risks, charges and expenses of the Funds before investing. This and other information can be found in the Funds’ prospectus, which can be obtained from [www.commonwealthfunds.com](http://www.commonwealthfunds.com), by calling the Funds directly at 888-345-1898 or by contacting your investment representative. Please read it carefully before you invest or send money.**

**COMMONWEALTH INTERNATIONAL SERIES TRUST  
COMMONWEALTH JAPAN FUND**

**PERFORMANCE OVERVIEW - October 31, 2008 (Unaudited)**

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The Commonwealth Japan Fund's NAV as of October 31, 2008, was \$2.47 per share compared to \$3.82 per share on October 31, 2007. For the 12 month period under review, the Commonwealth Japan Fund posted a -35.34% cumulative total return compared with its benchmark, the Tokyo Stock Price Index<sup>1</sup>, which posted a return of -36.04%, for the same period. The Fund does not attempt to track the index, but rather undertakes investments on the basis of fundamental research. The Fund also invests a portion of its assets in fixed income investments. The Fund's total return is presented net of Fund expenses, which means that the Fund's performance is reduced by applicable Fund fees and expenses whereas the index returns do not include any such fees.

Japan's economy fell into recession in the third quarter of 2008 and is expected to continue shrinking for at least another two quarters. Exports, an important driver of the economy, were 7.7% lower in October than they were a year earlier. The fact that exports to wealthy countries, including the U.S. and Euro-zone economies, are down was expected: they have been flat or falling for some time, with exports to North America, for example, failing to grow in 2007. More troubling is evidence that emerging-economy demand for Japanese goods has now also been affected. Exports to Asia are down by 4% and those to China fell for the first time in three years.

Deteriorating global economic and financial conditions are being driven by massive deleveraging. The unwinding of the carry trade, part of the ongoing global deleveraging process, has been a major factor behind the 17% appreciation of the Japanese Yen versus the U.S. dollar. The appreciation of the Yen weighed on export companies' overseas sales. The Fund's investments in transportation, utilities and pharmaceutical companies also declined during the year, albeit less so than the broader market, while investments in automotive parts and equipment, electronics and financial companies experienced larger declines versus the broader market. The Fund also benefited from its fixed-income and debt holdings, which at year-end represented 9.4% of net assets.\*

**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 the Fund will fluctuate as the value of the securities in the portfolio changes.*

*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 is non-diversified and invests primarily in industries located principally in Japan, 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 the Fund.*

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\* Portfolio composition is subject to change.

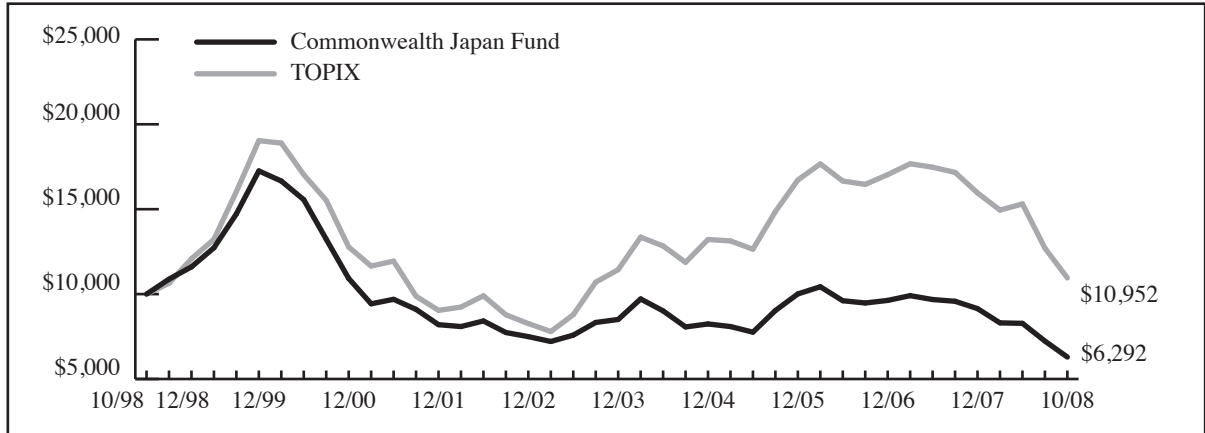
<sup>1</sup> The Tokyo Stock Price Index ("TOPIX") is an unmanaged capitalization-weighted index of all companies listed on the First Section of the Tokyo Stock Exchange. This index is expressed in terms of U.S. dollars, and does not reflect the deduction of fees or taxes associated with a mutual fund, 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.



**COMMONWEALTH INTERNATIONAL SERIES TRUST  
COMMONWEALTH JAPAN FUND**

**PERFORMANCE OVERVIEW - October 31, 2008 (Unaudited)**

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



The above graph is a hypothetical \$10,000 investment in the Commonwealth Japan Fund from 10/98 to 10/08, and represents the reinvestment of dividends and distributions in the Fund.

	Average Annual Total Return as of October 31, 2008			Gross Expense Ratio <sup>1</sup>
	1 Year	5 Year	10 Year	
Commonwealth Japan Fund	-35.34%	-6.38%	-4.53%	3.22%
Tokyo Stock Price Index ("TOPIX")	-36.04%	-0.30%	0.91%	

**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 1-888-345-1898.**

<sup>1</sup> The above expense ratio is from the Funds' prospectus dated February 28, 2008. Additional information pertaining to the Funds' expense ratios as of October 31, 2008 can be found in the financial highlights. Excluding the indirect costs of investing in acquired funds, total fund operating expenses would be 3.19%.

The Fund's performance is measured against the Tokyo Stock Price Index ("TOPIX") an unmanaged capitalization-weighted index of all the common stocks listed on the First Section 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 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.

**You should carefully consider the investment objectives, risks, charges and expenses of the Funds before investing. This and other information can be found in the Funds' prospectus, which can be obtained from [www.commonwealthfunds.com](http://www.commonwealthfunds.com), by calling the Funds directly at 888-345-1898 or by contacting your investment representative. Please read it carefully before you invest or send money.**

## COMMONWEALTH INTERNATIONAL SERIES TRUST COMMONWEALTH GLOBAL FUND

### PERFORMANCE OVERVIEW - October 31, 2008 (Unaudited)

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The Commonwealth Global Fund's NAV as of October 31, 2008, was \$11.16 per share compared to \$19.97 per share on October 31, 2007. On December 27, 2007, the Commonwealth Global Fund made distributions of \$1.19 per share. For the 12 month period under review the Commonwealth Global Fund posted a -40.36% cumulative total return, assuming reinvestment of gross distributions, compared with its benchmark, the Morgan Stanley Capital International (MSCI) World Index<sup>1</sup>, which posted a -41.41% total return for the same period. The Fund does not attempt to track the index, but rather undertakes investments on the basis of fundamental research. The Fund invests a portion of the Fund's assets in fixed income investments. The Fund's total return is presented net of Fund expenses, which means that the Fund's performance is reduced by applicable Fund fees and expenses whereas the index returns do not include any such fees.

The global economy is expected to be in a recession (usually defined as less than 3% growth) in 2009 and is generally expected to only slowly recover in 2010. This is a result of the global financial crisis, which will cause Gross Domestic Product<sup>2</sup> ("GDP") to contract in the U.S., the Euro area and Japan. Non-developed (emerging market) GDP growth will remain strong, but the fall in growth rates from very high levels will be even more substantial than for developed countries. The synchronized global downturn has already had a massive impact on commodity prices.

The Fund's investments in European financial institutions, commodity producers and capital goods producers lessened performance. The Fund's investment in emerging markets at year end was 12.6% of net assets versus 9.1% a year earlier, while debt and fixed income securities including preferred stock was 7.8% at year end.\*

The Fund's strategy is to invest in both international and domestic companies. The Fund's exposure to international equities was primarily achieved by investing in depositary receipts, which are for the most part comprised of large-capitalization companies. U.S. equity exposure consists primarily of mid- and small-capitalization companies. The Fund also invested in fixed income and other types of debt obligations, preferred stock and securities convertible into common stock.\*

#### 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 the Fund will fluctuate as the value of the securities in the portfolio changes.*

*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 the Fund.*

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\* Portfolio composition is subject to change.

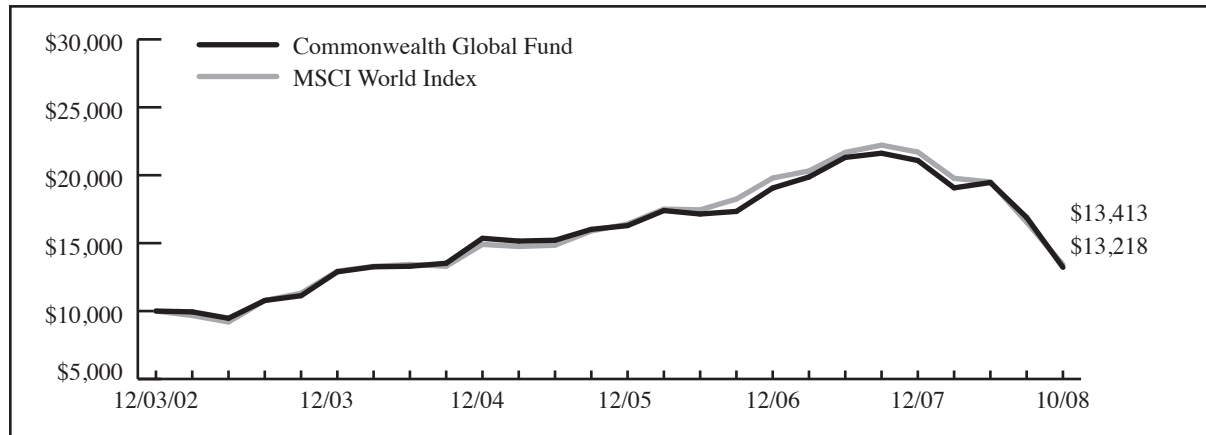
<sup>1</sup> The MSCI World Index is an unmanaged free float-adjusted market capitalization index that is designed to measure global developed market equity performance. Currently the MSCI World Index consists of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, 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 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.

<sup>2</sup> The Gross Domestic Product is the measure of the market value of the goods and services produced by labor and property within the United States and/or other foreign countries.

**COMMONWEALTH INTERNATIONAL SERIES TRUST  
COMMONWEALTH GLOBAL FUND**

**PERFORMANCE OVERVIEW - October 31, 2008 (Unaudited)**

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



The above graph is a hypothetical \$10,000 investment in the Commonwealth Global Fund from 12/3/02 (inception) to 10/31/08, and represents the reinvestment of dividends and distributions in the Fund.

	Average Annual Total Return as of October 31, 2008				Gross Expense Ratio <sup>1</sup>
	1 Year	3 Years	5 Years	Inception (12/3/02)	
Commonwealth Global Fund	-40.36%	-5.19%	1.97%	4.83%	2.47%
MSCI World Index	-41.41%	-4.76%	2.27%	5.09%	

**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 1-888-345-1898.**

<sup>1</sup> The above expense ratio is from the Funds' prospectus dated February 28, 2008. Additional information pertaining to the Funds' expense ratios as of October 31, 2008 can be found in the financial highlights. Excluding the indirect costs of investing in acquired funds, total fund operating expenses would be 2.34%.

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 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, 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 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.

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## COMMONWEALTH INTERNATIONAL SERIES TRUST COMMONWEALTH REAL ESTATE SECURITIES FUND

### PERFORMANCE OVERVIEW - October 31, 2008 (Unaudited)

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The Commonwealth Real Estate Securities Fund's NAV as of October 31, 2008, was \$7.56 per share compared to \$14.21 per share on October 31, 2007. On December 27, 2007, the Real Estate Securities Fund made distributions of \$1.12 per share. For the twelve months under review, the Commonwealth Real Estate Securities Fund posted a -41.65% cumulative total return, assuming reinvestment of gross distributions, compared with its benchmark, the Morgan Stanley Capital International (MSCI) US REIT Index<sup>1</sup>, which posted a -40.46% total return for the same period. The Fund does not attempt to track the index, but rather undertakes investments on the basis of fundamental research. The Fund also invest a portion of the Fund's assets in fixed income investments. The Fund's total return is presented net of Fund expenses, which means that the Fund's performance is reduced by applicable Fund fees and expenses whereas the index returns do not include any such fees.

International real estate markets, which at first were thought to be relatively insulated from the problems associated with U.S. real estate markets, declined significantly during the year as the problems were deeper and more widespread than initially thought. Global equity markets, real estate in particular, have struggled to cope with the sub-prime meltdown, asset depreciation and liquidity constraints.

The Fund's diversity, with respect to its allocation to REIT's and real-estate related companies, as well as an allocation to cash and fixed-income securities during the year, benefited the Fund, given the continued decline in real estate related investments both domestically and internationally. For most of the year, the Fund maintained above average levels of cash and cash equivalents. The Fund's investments in international real estate, lodging, office and industrial REITs declined significantly as economic factors and liquidity issues impacted commercial property markets.

At year end, the Fund had approximately 58% of its assets invested in U.S. REITs, while the index is comprised of mainly U.S. REITs. With respect to its REIT allocation, the Fund benefited from stock selection in six of the nine REIT sectors in which it was invested. The Fund's allocation to international real estate assets was a significant factor contributing to its underperformance. Holdings in international real estate assets declined during the year from approximately 20% to 13% of net assets.\*

#### **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 the Fund will fluctuate as the value of the securities in the portfolio changes.*

*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 changes 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 the Fund.*

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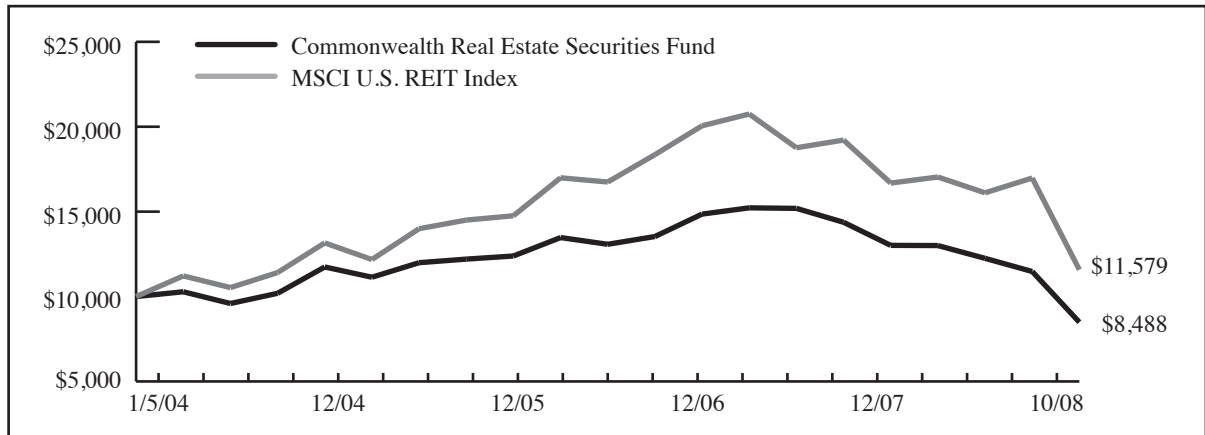
\* Portfolio composition is subject to change.

<sup>1</sup> The MSCI U.S. REIT Index is an unmanaged free float-adjusted market capitalization weighted index that is comprised of equity REITs that are included in the MSCI U.S. 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 U.S. REIT Index on June 20, 2005. Prior to this date the MSCI U.S. 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 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.

**COMMONWEALTH INTERNATIONAL SERIES TRUST  
COMMONWEALTH REAL ESTATE SECURITIES FUND**

**PERFORMANCE OVERVIEW - October 31, 2008 (Unaudited)**

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



The above graph is a hypothetical \$10,000 investment in the Commonwealth Real Estate Securities Fund from 1/5/04 to 10/08, and represents the reinvestment of dividends and distributions in the Fund.

	Average Annual Total Return As of October 31, 2008			Gross Expense Ratio <sup>1</sup>
	1 Year	3 Years	Inception (1/5/04)	
Commonwealth Real Estate Securities Fund	-41.65%	-10.71%	-3.34%	2.61%
MSCI U.S. REIT Index	-40.46%	-6.48%	3.08%	

**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 1-888-345-1898.**

<sup>1</sup> The above expense ratio is from the Funds' prospectus dated February 28, 2008. Additional information pertaining to the Funds' expense ratios as of October 31, 2008 can be found in the financial highlights. Excluding the indirect costs of investing in acquired funds, total fund operating expenses would be 2.49%.

The Fund's performance is measured against the MSCI U.S. 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 U.S. 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 U.S. REIT universe. MSCI started calculating and maintaining the MSCI U.S. REIT Index on June 20, 2005. Prior to this date the MSCI U.S. 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 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.

**You should carefully consider the investment objectives, risks, charges and expenses of the Funds before investing. This and other information can be found in the Funds' prospectus, which can be obtained from [www.commonwealthfunds.com](http://www.commonwealthfunds.com), by calling the Funds directly at 888-345-1898 or by contacting your investment representative. Please read it carefully before you invest or send money.**

**COMMONWEALTH INTERNATIONAL SERIES TRUST**

**PERFORMANCE OVERVIEW - October 31, 2008\* (Unaudited)**

**COMMONWEALTH AUSTRALIA/NEW ZEALAND FUND**

<b>Industry and/or Security Type</b>	<b>Percent of total investments</b>
Bonds - New Zealand	18.7%
Marine Ports & Services	11.2%
Real Estate	7.6%
Banking & Finance	5.3%
Bonds - Australia	5.1%
Commercial Services	4.5%
Utilities	4.1%
Metal Fabricate/Hardware	4.0%
Healthcare	3.4%
Transportation	3.2%
Oil & Gas	3.1%
Multi-Media	2.8%
Chemicals	2.7%
Insurance	2.6%
Miscellaneous Manufacturing	2.5%
Appliances	2.4%
Preferred Stocks	2.4%
Food & Beverage	2.2%
Telecommunications	2.0%
Mining	1.5%
Leisure & Recreation	1.2%
Agriculture	1.2%
Apparel	1.1%
Computer Service	1.0%
Medical Supplies	0.8%
Chemicals - Diversified	0.7%
Retail	0.7%
Human Resources	0.6%
Energy	0.4%
Building Materials	0.4%
Pharmaceuticals	0.4%
E-Commerce	0.2%
Rights & Warrants	0.0%
	<b>100.0%</b>

**COMMONWEALTH JAPAN FUND**

<b>Industry and/or Security Type</b>	<b>Percent of total investments</b>
Transportation	12.4%
Utilities	10.4%
Bonds	9.6%
Leisure & Recreation	9.6%
Electronics	7.3%
Automotive Parts & Equipment	5.9%
Healthcare-Products	5.7%
Pharmaceuticals	4.0%
Banking & Finance	4.0%
Insurance	4.0%
Retail	3.8%
Real Estate	3.6%
Distribution & Wholesale	2.5%
Computers	2.2%
Engineering & Construction	2.2%
Textiles	2.0%
Printing	1.7%
Publishing	1.5%
Home Furnishings	1.5%
Machinery	1.3%
Food & Beverage	1.1%
Building Materials	1.0%
Miscellaneous Manufacturing	0.7%
Chemicals	0.6%
Oil & Gas	0.5%
Multi-Media	0.5%
Internet Services	0.3%
Commercial Services	0.1%
	<b>100.0%</b>

\* Portfolio composition is subject to change.

**COMMONWEALTH INTERNATIONAL SERIES TRUST**

**PERFORMANCE OVERVIEW - October 31, 2008\* (Unaudited)**

**COMMONWEALTH GLOBAL FUND**

<b>Country</b>	<b>Percent of total investments</b>
United States	46.8%
Great Britain	9.1%
France	7.7%
Germany	6.1%
Bonds	5.5%
Israel	4.9%
Spain	2.9%
Canada	2.7%
Netherlands	2.6%
Brazil	2.4%
Switzerland	2.2%
Mexico	2.0%
Guernsey	1.7%
South Korea	1.5%
Portugal	1.0%
India	0.9%
	100.0%

**COMMONWEALTH REAL ESTATE SECURITIES FUND**

<b>Industry and/or Security Type</b>	<b>Percent of total investments</b>
REIT - Office Property	12.6%
REIT - Apartments	10.4%
Building Materials	7.7%
Bonds	7.6%
Investment Companies	7.1%
Short Term Investments	6.5%
REIT - Diversified	6.0%
REIT - Storage	5.9%
REIT - Hotels	5.8%
REIT - Shopping Centers	5.4%
Real Estate	4.7%
Retail Building Products	4.3%
Homebuilders	3.9%
REIT - Warehouse & Industrial	3.1%
REIT - Healthcare	2.9%
Lodging	2.4%
Insurance	2.4%
Asset Backed Securities	0.6%
Distribution & Wholesales	0.5%
REIT - Regional Malls	0.2%
	100.0%

\* Portfolio composition is subject to change.

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

**SCHEDULE OF INVESTMENTS - October 31, 2008**

	<u>Shares</u>	<u>Value</u>
<b><u>AUSTRALIA (17.50%)</u></b>		
<b>COMMON STOCKS (12.34%)</b>		
<b><i>APPAREL (1.10%)</i></b>		
Billabong International, Ltd. (a) . . . . .	27,642	\$ <u>220,437</u>
<b><i>BANKING &amp; FINANCE (0.19%)</i></b>		
Suncorp-Metway, Ltd. (a) . . . . .	7,065	<u>37,880</u>
<b><i>BUILDING MATERIALS (0.39%)</i></b>		
James Hardie Industries NV - ADR . . . . .	5,200	<u>76,908</u>
<b><i>CHEMICALS - DIVERSIFIED (0.73%)</i></b>		
Nufarm, Ltd. (a) . . . . .	20,000	<u>145,771</u>
<b><i>E-COMMERCE (0.24%)</i></b>		
Webjet, Ltd. (a) . . . . .	71,081	<u>47,271</u>
<b><i>FOOD &amp; BEVERAGE (1.91%)</i></b>		
Woolworths, Ltd. (a) . . . . .	20,606	<u>381,572</u>
<b><i>HEALTHCARE (1.17%)</i></b>		
Sonic Healthcare, Ltd. (a) . . . . .	25,628	<u>233,994</u>
<b><i>INSURANCE (2.59%)</i></b>		
QBE Insurance Group, Ltd. (a) . . . . .	30,000	<u>517,049</u>
<b><i>MEDICAL SUPPLIES (0.76%)</i></b>		
Cochlear, Ltd. (a) . . . . .	4,000	<u>152,174</u>
<b><i>MINING (1.48%)</i></b>		
OZ Minerals, Ltd. (a) . . . . .	258,661	162,996
Pan Australian Resources, Ltd. (a)* . . . . .	900,000	<u>132,106</u>
		<u>295,102</u>
<b><i>TRANSPORTATION (0.71%)</i></b>		
Toll Holdings, Ltd. (a) . . . . .	35,422	<u>141,464</u>
<b><i>UTILITIES (1.07%)</i></b>		
AGL Energy, Ltd. (a) . . . . .	22,945	<u>212,936</u>
<b>TOTAL COMMON STOCKS (Cost \$2,375,278) . . . . .</b>		<u>2,462,558</u>

See accompanying notes to financial statements.



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

**SCHEDULE OF INVESTMENTS - October 31, 2008**

	<u>Principal</u>	<u>Value</u>
<b><u>AUSTRALIA (17.50%) - Continued</u></b>		
<b>BONDS (5.16%)</b>		
CBA Capital Australia, Ltd., 8.82%, 4/15/15 (b)** . . . . .	\$ 300,000	\$ 162,640
Commonwealth Bank of Australia, 8.50%, 6/1/10 . . . . .	300,000	317,930
Hanson Australia Funding, Ltd., 5.25%, 3/15/13 . . . . .	250,000	155,017
Telstra Corp., Ltd., 6.38%, 4/1/12 . . . . .	400,000	<u>395,257</u>
<b>TOTAL BONDS (Cost \$1,185,144) . . . . .</b>		<b><u>1,030,844</u></b>
<b>TOTAL AUSTRALIA (Cost \$3,560,422) . . . . .</b>		<b><u>3,493,402</u></b>
	<b><u>Shares</u></b>	
<b><u>NEW ZEALAND (83.24%)</u></b>		
<b>COMMON STOCKS (61.88%)</b>		
<b>AGRICULTURE (1.18%)</b>		
Allied Farmers, Ltd. . . . .	338,310	<u>236,276</u>
<b>APPLIANCES (2.46%)</b>		
Fisher & Paykel Appliances Holdings, Ltd. (a) . . . . .	399,218	311,407
Scott Technology, Ltd. (a) . . . . .	295,245	<u>180,424</u>
		<u>491,831</u>
<b>BANKING &amp; FINANCE (5.13%)</b>		
Canterbury Building Society. . . . .	301,398	749,017
Tower, Ltd. (a)* . . . . .	306,425	<u>274,363</u>
		<u>1,023,380</u>
<b>CHEMICALS (2.72%)</b>		
Nuplex Industries, Ltd. (a) . . . . .	177,020	<u>543,115</u>
<b>COMMERCIAL SERVICES (4.60%)</b>		
Mowbray Collectables, Ltd. (a)(d)* . . . . .	671,593	488,585
Opus International Consultants, Ltd. (a) . . . . .	100,000	81,480
Taylors Group, Ltd. . . . .	519,431	<u>347,656</u>
		<u>917,721</u>
<b>COMPUTER SERVICE (0.96%)</b>		
Renaissance Corp., Ltd. (a) . . . . .	728,329	<u>192,523</u>
<b>ENERGY (0.39%)</b>		
Pike River Coal Co., Ltd. (a)* . . . . .	100,000	<u>77,209</u>
<b>FOOD &amp; BEVERAGE (0.33%)</b>		
Just Water International, Ltd. . . . .	279,238	<u>65,007</u>

See accompanying notes to financial statements.

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

**SCHEDULE OF INVESTMENTS - October 31, 2008**

	<u>Shares</u>	<u>Value</u>
<b>NEW ZEALAND (83.24%) — Continued</b>		
<b>COMMON STOCKS (61.88%) — Continued</b>		
<b>HEALTHCARE (2.29%)</b>		
Fisher & Paykel Healthcare Corp, Ltd. (a) . . . . .	263,195	\$ <u>457,978</u>
<b>HUMAN RESOURCES (0.57%)</b>		
Allied Work Force Group, Ltd. . . . .	277,500	<u>113,054</u>
<b>LEISURE &amp; RECREATION (1.19%)</b>		
Tourism Holdings, Ltd. (a) . . . . .	441,009	<u>236,727</u>
<b>MARINE PORTS &amp; SERVICES (11.24%)</b>		
Cavotec MSL Holdings, Ltd. (a) . . . . .	135,000	282,911
Port of Tauranga, Ltd. (a) . . . . .	175,000	674,682
South Port of New Zealand, Ltd. . . . .	1,027,930	<u>1,286,251</u>
		<u>2,243,844</u>
<b>METAL FABRICATE/HARDWARE (4.03%)</b>		
Methven, Ltd. (a) . . . . .	506,250	437,586
Steel & Tube Holdings, Ltd. (a) . . . . .	209,494	<u>366,493</u>
		<u>804,079</u>
<b>MISCELLANEOUS MANUFACTURING (2.55%)</b>		
Skellerup Holdings, Ltd. (a) . . . . .	1,058,599	<u>509,856</u>
<b>MULTI-MEDIA (2.83%)</b>		
Sky Network Television, Ltd. (a) . . . . .	249,745	<u>564,281</u>
<b>OIL &amp; GAS (3.09%)</b>		
New Zealand Oil & Gas, Ltd. (a) . . . . .	823,526	<u>617,548</u>
<b>PHARMACEUTICALS (0.37%)</b>		
Life Pharmacy, Ltd. *. . . . .	278,884	<u>74,663</u>
<b>REAL ESTATE (7.66%)</b>		
Goodman Property Trust (a) . . . . .	424,786	257,827
ING Medical Properties Trust (a) . . . . .	920,733	557,344
ING Property Trust (a) . . . . .	831,110	299,969
Kermadec Property Fund (a) . . . . .	1,010,379	294,150
National Property Trust (a) . . . . .	450,000	<u>120,789</u>
		<u>1,530,079</u>
<b>RETAIL (0.68%)</b>		
Briscoe Group, Ltd. . . . .	290,000	<u>135,024</u>

See accompanying notes to financial statements.

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

**SCHEDULE OF INVESTMENTS - October 31, 2008**

	<u>Shares</u>	<u>Value</u>
<b>NEW ZEALAND (83.24%) – Continued</b>		
<b>COMMON STOCKS (61.88%)— Continued</b>		
<i>TELECOMMUNICATIONS (2.00%)</i>		
TeamTalk, Ltd. (a) . . . . .	350,000	\$ 399,122
<i>TRANSPORTATION (2.55%)</i>		
Freightways, Ltd. (a) . . . . .	110,000	188,856
Mainfreight, Ltd. (a) . . . . .	105,000	<u>319,730</u>
		<u>508,586</u>
<i>UTILITIES (3.06%)</i>		
Infratil, Ltd. (a) . . . . .	546,549	<u>611,598</u>
<b>TOTAL COMMON STOCKS (Cost \$16,574,078) . . . . .</b>		<u>12,353,501</u>
	<b><u>Principal</u></b>	
<b>BONDS (18.89%)</b>		
Australia & NZ Banking Group, 3.75%, 1/5/09 . . . . . \$	300,000	298,856
ANZ National Bank, Ltd., 8.50%, 6/9/10 (c) . . . . .	500,000	297,017
ANZ National Bank, Ltd., 8.50%, 6/9/14 (c) . . . . .	500,000	299,755
Auckland International Airport, 7.50%, 11/15/08 (c) . . . . .	350,000	203,634
Global Corporate Credit, Ltd., 7.20%, 12/30/08 (c) . . . . .	1,338,000	695,296
Global Corporate Credit, Ltd., 8.25%, 12/30/08 (c) . . . . .	1,326,000	688,944
GPG Finance, Ltd. PLC, 8.70%, 12/15/08 (c) . . . . .	1,500,000	868,944
International Bank for Reconstruction and Development, 7.06%, 7/16/12 (c) . . . . .	700,000	<u>418,309</u>
<b>TOTAL BONDS (Cost \$4,545,386) . . . . .</b>		<u>3,770,755</u>
	<b><u>Shares</u></b>	
<b>PREFERRED STOCKS (2.45%)</b>		
ASB Capital, Ltd. (a) . . . . .	954,218	<u>489,288</u>
<b>TOTAL PREFERRED STOCKS (Cost \$686,799) . . . . .</b>		<u>489,288</u>
<b>RIGHTS &amp; WARRANTS (0.02%)</b>		
Infratil, Ltd., Strike Price 4.25, Expiration 6/29/12* . . . . .	45,546	<u>4,374</u>
<b>TOTAL RIGHTS &amp; WARRANTS (Cost \$0) . . . . .</b>		<u>4,374</u>
<b>TOTAL NEW ZEALAND (Cost \$21,806,263) . . . . .</b>		<u>16,617,918</u>

See accompanying notes to financial statements.

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

**SCHEDULE OF INVESTMENTS - October 31, 2008**

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	<u>Value</u>
<b>TOTAL INVESTMENTS (Cost \$25,366,685) – ( 100.74%)</b> . . . . .	\$ 20,111,320
<b>LIABILITIES IN EXCESS OF OTHER ASSETS – (-0.74%)</b> . . . . .	<u>(147,132)</u>
<b>NET ASSETS – (100.00%)</b> . . . . .	\$ <u>19,964,188</u>

- \* Represents non-income producing security.
- \*\* Rate shown represents the rate at October 31, 2008, is subject to change and resets annually.
- (a) Fair Valued Security. These securities represent 61.22% of net assets as of October 31, 2008.
- (b) Principal amount shown is in Australian Dollars; value shown in U.S. Dollars.
- (c) Principal amount shown is in New Zealand Dollars; value shown in U.S. Dollars.
- (d) Affiliated investment.
- ADR American Depositary Receipt
- PLC Public Limited Company

See accompanying notes to financial statements.

**COMMONWEALTH INTERNATIONAL SERIES TRUST  
COMMONWEALTH JAPAN FUND**

**SCHEDULE OF INVESTMENTS - October 31, 2008**

	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS (88.42%)</b>		
<i><b>AUTOMOTIVE PARTS &amp; EQUIPMENT (5.72%)</b></i>		
AISIN SEIKI Co., Ltd. (a) .....	2,000	\$ 34,766
Denso Corp. (a) .....	3,000	59,255
NGK Spark Plug Co., Ltd. (a) .....	6,000	57,206
Sumitomo Rubber Industries, Ltd. (a) .....	10,000	88,115
Tokai Rika Co., Ltd. (a) .....	4,000	41,426
		<u>280,768</u>
<i><b>BANKING &amp; FINANCE (3.93%)</b></i>		
Fukuoka Financial Group, Inc. (a) .....	10,000	32,661
Mitsubishi UFJ Financial Group, Inc. - ADR .....	10,000	62,700
Sumitomo Mitsui Financial Group, Inc. (a) .....	24	97,457
		<u>192,818</u>
<i><b>BUILDING MATERIALS (0.97%)</b></i>		
Taiheiyō Cement Corp. (a) .....	40,000	47,691
<i><b>CHEMICALS (0.62%)</b></i>		
Sumitomo Chemical Co., Ltd. (a) .....	10,000	30,318
<i><b>COMMERCIAL SERVICES (0.12%)</b></i>		
Shinwa Art Auction Co., Ltd. (a) .....	21	5,694
<i><b>COMPUTERS (2.17%)</b></i>		
Melco Holdings, Inc. (a) .....	4,500	55,581
TDK Corp. - ADR .....	1,500	51,015
		<u>106,596</u>
<i><b>DISTRIBUTION &amp; WHOLESALE (2.43%)</b></i>		
Marubeni Corp. (a) .....	30,000	118,945
<i><b>ELECTRONICS (7.18%)</b></i>		
Fanuc, Ltd. (a) .....	1,500	101,828
Fujitsu, Ltd. (a) .....	10,000	39,803
Hoya Corp. (a) .....	4,000	74,161
Taiyo Yuden Co., Ltd. (a) .....	10,000	47,400
TOYO Corp. (a) .....	8,000	88,983
		<u>352,175</u>
<i><b>ENGINEERING &amp; CONSTRUCTION (2.17%)</b></i>		
Kajima Corp. (a) .....	36,000	106,133
<i><b>FOOD &amp; BEVERAGE (1.12%)</b></i>		
Kirin Brewery Co., Ltd. (a) .....	5,000	54,741
<i><b>HEALTHCARE-PRODUCTS (5.60%)</b></i>		
Nakanishi, Inc. (a) .....	1,500	106,033
Terumo Corp. (a) .....	4,000	168,652
		<u>274,685</u>

See accompanying notes to financial statements.

**COMMONWEALTH INTERNATIONAL SERIES TRUST  
COMMONWEALTH JAPAN FUND**

**SCHEDULE OF INVESTMENTS - October 31, 2008**

	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS (88.42%) — Continued</b>		
<i><b>HOME FURNISHINGS (1.42%)</b></i>		
Alpine Electronics, Inc. (a) . . . . .	8,000	\$ 69,845
<i><b>INSURANCE (3.87%)</b></i>		
T & D Holdings, Inc. (a) . . . . .	2,000	76,965
Tokio Marine Holdings, Inc. - ADR . . . . .	3,750	<u>112,875</u>
		<u>189,840</u>
<i><b>INTERNET SERVICES (0.30%)</b></i>		
Internet Initiative Japan, Inc. - ADR . . . . .	7,000	<u>14,630</u>
<i><b>LEISURE &amp; RECREATION (9.41%)</b></i>		
Nintendo Co., Ltd. (a) . . . . .	1,000	315,461
Resorttrust, Inc. (a) . . . . .	3,360	32,973
Sankyo Co., Ltd. (a) . . . . .	2,500	<u>112,962</u>
		<u>461,396</u>
<i><b>MACHINERY (1.23%)</b></i>		
Meidensha Corp. (a) . . . . .	38,000	<u>60,176</u>
<i><b>MISCELLANEOUS MANUFACTURING (0.69%)</b></i>		
Amano Corp. (a) . . . . .	5,000	<u>33,984</u>
<i><b>MULTI-MEDIA (0.44%)</b></i>		
USEN Corp. (a)* . . . . .	15,708	<u>21,497</u>
<i><b>OIL &amp; GAS (0.45%)</b></i>		
AOC Holdings, Inc. (a) . . . . .	4,000	<u>22,109</u>
<i><b>PHARMACEUTICALS (3.93%)</b></i>		
Chugai Pharmaceutical Co., Ltd. (a) . . . . .	6,500	92,048
Takeda Pharmaceutical Co., Ltd. (a) . . . . .	2,000	<u>100,816</u>
		<u>192,864</u>
<i><b>PRINTING (1.64%)</b></i>		
Tosho Printing Co., Ltd. (a) . . . . .	30,000	<u>80,610</u>
<i><b>PUBLISHING (1.49%)</b></i>		
Kadokawa Group Holdings, Inc. (a) . . . . .	4,000	<u>73,041</u>
<i><b>REAL ESTATE (3.55%)</b></i>		
Raysum Co., Ltd. (a) . . . . .	50	16,742
Sumitomo Realty & Development Co., Ltd. (a) . . . . .	6,000	96,287
Tokyo Tatemono Co., Ltd. (a) . . . . .	15,000	<u>61,309</u>
		<u>174,338</u>

See accompanying notes to financial statements.

**COMMONWEALTH INTERNATIONAL SERIES TRUST  
COMMONWEALTH JAPAN FUND**

**SCHEDULE OF INVESTMENTS - October 31, 2008**

	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS (88.42%) — Continued</b>		
<i>RETAIL (3.69%)</i>		
Sundrug Co., Ltd. (a) .....	4,000	\$ 72,672
Yamada Denki Co., Ltd. (a) .....	2,000	<u>108,401</u>
		<u>181,073</u>
<i>TEXTILES (1.97%)</i>		
Ichikawa Co., Ltd. (a) .....	35,000	<u>96,378</u>
<i>TRANSPORTATION (12.13%)</i>		
East Japan Railway Co. (a) .....	15	106,613
Hankyu Hanshin Holdings, Inc. (a) .....	22,000	103,918
Keihin Electric Express Railway Co., Ltd. (a) .....	13,000	100,419
Keio Corp. (a) .....	18,000	92,916
Tobu Railway Co., Ltd. (a) .....	18,000	92,116
Yamato Holdings Co., Ltd. (a) .....	9,000	<u>99,006</u>
		<u>594,988</u>
<i>UTILITIES (10.18%)</i>		
Hokkaido Electric Power Co., Inc. (a) .....	6,000	136,412
Toho Gas Co., Ltd. (a) .....	35,000	203,900
Tohoku Electric Power Co., Inc. (a) .....	7,000	<u>159,093</u>
		<u>499,405</u>
<b>TOTAL COMMON STOCKS (Cost \$4,998,080) .....</b>		<u><u>4,336,738</u></u>
	<b><u>Principal</u></b>	
<i>BONDS (9.42%)</i>		
Aflac, Inc., 6.50%, 4/15/09 .....	\$ 78,000	78,944
Bank of Tokyo-Mitsubishi UFJ, Ltd., 8.40%, 4/15/10 .....	48,000	47,612
SMBC International Finance NV, 8.50%, 6/15/09 .....	150,000	152,495
Toyota Motor Credit Corp., Step-up Bond, 4.25%, 2/4/25 (b) .....	200,000	<u>182,982</u>
<b>TOTAL BONDS (Cost \$480,209) .....</b>		<u><u>462,033</u></u>
<b>TOTAL INVESTMENTS (Cost \$5,478,289) – ( 97.84%) .....</b>		4,798,771
<b>OTHER ASSETS IN EXCESS OF LIABILITIES – (2.16%) .....</b>		<u>105,819</u>
<b>NET ASSETS – (100.00%) .....</b>		\$ <u><u>4,904,590</u></u>

- \* Represents non-income producing security.
- (a) Fair Valued Security. These securities represent 83.50% of nets assets as of October 31, 2008.
- (b) Variable Rate Security. The rate reflected in the Schedule of Investments is the rate in effect at October 31, 2008.
- ADR American Depositary Receipt

See accompanying notes to financial statements.

**COMMONWEALTH INTERNATIONAL SERIES TRUST**  
**COMMONWEALTH GLOBAL FUND**

**SCHEDULE OF INVESTMENTS - October 31, 2008**

	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS (92.36%)</b>		
<i><b>BRAZIL (2.44%)</b></i>		
Cia de Saneamento Basico do Estado de Sao Paulo - ADR . . . . .	5,000	\$ 115,000
Cia Vale do Rio Doce - ADR . . . . .	16,000	<u>209,920</u>
		<u>324,920</u>
<i><b>CANADA (2.69%)</b></i>		
InterOil Corp.* . . . . .	15,000	216,600
Vitran Corp., Inc.* . . . . .	16,000	<u>142,240</u>
		<u>358,840</u>
<i><b>FRANCE (7.66%)</b></i>		
Arkema - ADR . . . . .	6,130	139,764
BNP Paribas - ADR . . . . .	6,000	213,033
France Telecom SA - ADR . . . . .	15,000	379,800
Total SA - ADR . . . . .	5,200	<u>288,288</u>
		<u>1,020,885</u>
<i><b>GERMANY (6.10%)</b></i>		
Deutsche Bank AG . . . . .	4,000	151,920
E.ON AG - ADR . . . . .	8,000	304,000
SAP AG - ADR . . . . .	5,000	176,650
Siemens AG - ADR . . . . .	3,000	<u>180,450</u>
		<u>813,020</u>
<i><b>GREAT BRITAIN (9.16%)</b></i>		
Anglo American PLC - ADR . . . . .	11,830	148,466
British Airways PLC - ADR . . . . .	3,800	86,222
GlaxoSmithKline PLC - ADR . . . . .	8,000	309,600
Intercontinental Hotels Group PLC - ADR . . . . .	19,003	163,616
Lloyds TSB Group PLC - ADR . . . . .	7,000	88,480
National Grid PLC - ADR . . . . .	3,071	175,723
Tate & Lyle PLC - ADR . . . . .	4,000	97,200
Vodafone Group PLC - ADR . . . . .	7,875	<u>151,751</u>
		<u>1,221,058</u>
<i><b>GUERNSEY (1.69%)</b></i>		
Amdocs, Ltd.* . . . . .	10,000	<u>225,600</u>
<i><b>INDIA (0.94%)</b></i>		
Satyam Computer Services, Ltd. - ADR . . . . .	8,000	<u>125,840</u>
<i><b>ISRAEL (4.96%)</b></i>		
NICE Systems, Ltd. - ADR* . . . . .	10,000	223,600
Teva Pharmaceutical Industries, Ltd. - ADR . . . . .	10,198	<u>437,290</u>
		<u>660,890</u>

See accompanying notes to financial statements.



**COMMONWEALTH INTERNATIONAL SERIES TRUST  
COMMONWEALTH GLOBAL FUND**

**SCHEDULE OF INVESTMENTS - October 31, 2008**

	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS (92.36%) — Continued</b>		
<i><b>MEXICO (1.99%)</b></i>		
Grupo Televisa SA - ADR . . . . .	15,000	\$ <u>264,900</u>
<i><b>NETHERLANDS (2.59%)</b></i>		
ING Groep NV - ADR . . . . .	13,842	128,869
Unilever NV - NYS . . . . .	9,000	<u>216,450</u>
		<u>345,319</u>
<i><b>PORTUGAL (1.00%)</b></i>		
Portugal Telecom SGPS SA - ADR . . . . .	20,300	<u>133,574</u>
<i><b>SOUTH KOREA (1.49%)</b></i>		
Korea Electric Power Corp. - ADR . . . . .	8,000	79,200
KT Corp. - ADR . . . . .	9,500	<u>119,225</u>
		<u>198,425</u>
<i><b>SPAIN (2.87%)</b></i>		
Banco Bilbao Vizcaya Argentaria SA - ADR . . . . .	17,220	199,752
Banco Santander Central Hispano SA - ADR . . . . .	17,000	<u>182,580</u>
		<u>382,332</u>
<i><b>SWITZERLAND (2.24%)</b></i>		
Nestle SA - ADR . . . . .	7,750	<u>297,988</u>
<i><b>UNITED STATES (44.54%)</b></i>		
AGCO Corp.* . . . . .	12,000	378,240
American National Insurance Co. . . . .	4,498	307,124
BJ's Wholesale Club, Inc.* . . . . .	5,075	178,640
Bunge, Ltd. . . . .	6,500	249,665
Chemed Corp. . . . .	5,200	227,708
Conmed Corp.* . . . . .	7,720	202,264
Dentsply International, Inc. . . . .	6,700	203,546
DST Systems, Inc.* . . . . .	7,385	299,683
Electronic Arts, Inc.* . . . . .	10,000	227,800
KVH Industries, Inc.* . . . . .	36,000	210,960
LifePoint Hospitals, Inc.* . . . . .	15,000	359,550
Lubrizol Corp. . . . .	8,055	302,707
Lufkin Industries, Inc. . . . .	10,000	523,200
MetroCorp Bancshares, Inc. . . . .	10,000	110,600
National-Oilwell Varco, Inc.* . . . . .	7,266	217,181
Norfolk Southern Corp. . . . .	9,000	539,460
Northwest Natural Gas Co. . . . .	6,000	305,280
Pentair, Inc. . . . .	12,760	352,686
Prudential Financial, Inc. . . . .	5,000	150,000
SCANA Corp. . . . .	6,075	199,928

See accompanying notes to financial statements.

**COMMONWEALTH INTERNATIONAL SERIES TRUST  
COMMONWEALTH GLOBAL FUND**

**SCHEDULE OF INVESTMENTS - October 31, 2008**

	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS (92.36%) - Continued</b>		
<i>UNITED STATES - Continued</i>		
Smith International, Inc. . . . .	4,490	\$ 154,815
Varian Semiconductor Equipment Associates, Inc.* . . . . .	12,000	235,440
		<u>5,936,477</u>
<b>TOTAL COMMON STOCKS (Cost \$13,533,235) . . . . .</b>		<u>12,310,068</u>
<b>PREFERRED STOCKS (2.29%)</b>		
Chesapeake Energy Corp., 4.50%, 12/31/49** . . . . .	1,000	61,990
HSBC USA, Inc., Series F, 4.63%, Callable 4/7/10 @ \$25 (a) . . . . .	18,000	243,000
<b>TOTAL PREFERRED STOCKS (Cost \$445,355) . . . . .</b>		<u>304,990</u>
<b>BONDS (5.54%)</b>		
	<u>Principal</u>	
EnCana Corp., 4.60%, 8/15/09 . . . . .	\$ 135,000	133,189
JP Morgan Chase & Co., 0.00%, 2/10/11*** . . . . .	150,000	147,450
SMBC International Finance NV, 8.50%, 6/15/09 . . . . .	270,000	274,492
Toyota Motor Credit Corp., Step-up Bond, 4.25%, 2/4/25 (a) . . . . .	200,000	182,982
<b>TOTAL BONDS (Cost \$758,476) . . . . .</b>		<u>738,113</u>
<b>TOTAL INVESTMENTS (Cost \$14,737,066) – ( 100.19%) . . . . .</b>		13,353,171
<b>LIABILITIES IN EXCESS OF OTHER ASSETS – (-0.19%) . . . . .</b>		<u>(25,384)</u>
<b>NET ASSETS – (100.00%) . . . . .</b>		\$ <u>13,327,787</u>

\* Represents non-income producing security.

\*\* Convertible to common shares.

\*\*\* Principal Protected Notes due February 10, 2011 are debt securities of JPMorgan Chase & Co., Inc. The principal amount is \$1,000 and has no periodic interest payments. At maturity, the holder is entitled to receive the principal amount of \$1,000, plus a supplemental redemption amount of \$1,000 x (Ending Index Value - Starting Index Value)/Starting Index Value.

(a) Variable Rate Security. The rate reflected in the Schedule of Investments is the rate in effect at October 31, 2008.

ADR American Depositary Receipt

NYS New York Share

PLC Public Limited Company

See accompanying notes to financial statements.

**COMMONWEALTH INTERNATIONAL SERIES TRUST  
COMMONWEALTH REAL ESTATE SECURITIES FUND**

**SCHEDULE OF INVESTMENTS - October 31, 2008**

	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS (80.55%)</b>		
<i><b>BUILDING MATERIALS (7.90%)</b></i>		
Cemex SA de CV - ADR* . . . . .	12,249	\$ 92,602
CRH PLC - ADR . . . . .	9,200	194,672
James Hardie Industries NV - ADR . . . . .	6,900	102,051
Lafarge SA - ADR . . . . .	5,000	82,500
Universal Forest Products, Inc. . . . .	3,000	70,950
USG Corp.* . . . . .	7,000	103,740
		<u>646,515</u>
<i><b>DISTRIBUTION &amp; WHOLESALE (0.52%)</b></i>		
Wolseley PLC - ADR . . . . .	8,000	42,960
<i><b>HOMEBUILDERS (3.97%)</b></i>		
Desarrolladora Homex SA de CV - ADR* . . . . .	9,000	209,520
Toll Brothers, Inc. (a)* . . . . .	5,000	115,600
		<u>325,120</u>
<i><b>INSURANCE (2.46%)</b></i>		
First American Corp. . . . .	5,000	102,050
Stewart Information Services Corp. . . . .	6,000	99,600
		<u>201,650</u>
<i><b>LODGING (2.51%)</b></i>		
Starwood Hotels & Resorts Worldwide, Inc. . . . .	5,500	123,970
Wyndham Worldwide Corp. . . . .	10,000	81,900
		<u>205,870</u>
<i><b>REAL ESTATE (4.87%)</b></i>		
Alto Palermo SA - ADR . . . . .	17,000	77,350
Hang Lung Properties, Ltd. - ADR . . . . .	18,000	206,100
W.P. Carey & Co., LLC . . . . .	5,000	115,000
		<u>398,450</u>
<i><b>REAL ESTATE INVESTMENT TRUSTS - APARTMENTS (10.71%)</b></i>		
American Campus Communities, Inc. (a) . . . . .	1,184	30,760
AvalonBay Communities, Inc. (a) . . . . .	1,500	106,530
Camden Property Trust (a) . . . . .	5,000	168,550
Education Realty Trust, Inc. . . . .	9,000	38,250
Equity Residential (a) . . . . .	6,000	209,580
Essex Property Trust, Inc. (a) . . . . .	1,000	97,300
Mid-America Apartment Communities, Inc. (a) . . . . .	2,500	88,100
UDR, Inc. (a) . . . . .	7,000	138,320
		<u>877,390</u>
<i><b>REAL ESTATE INVESTMENT TRUSTS - DIVERSIFIED (6.23%)</b></i>		
Digital Realty Trust, Inc. . . . .	3,000	100,440
National Retail Properties, Inc. (a) . . . . .	4,000	71,320

See accompanying notes to financial statements.

**COMMONWEALTH INTERNATIONAL SERIES TRUST  
COMMONWEALTH REAL ESTATE SECURITIES FUND**

**SCHEDULE OF INVESTMENTS - October 31, 2008**

	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS (80.55%) — Continued</b>		
<i>REAL ESTATE INVESTMENT TRUSTS - DIVERSIFIED — Continued</i>		
PS Business Parks, Inc. . . . .	3,500	\$ 158,445
Washington Real Estate Investment Trust . . . . .	6,000	<u>179,880</u>
		<u>510,085</u>
<i>REAL ESTATE INVESTMENT TRUSTS - HEALTHCARE (2.95%)</i>		
Health Care REIT, Inc. . . . .	2,500	111,275
Senior Housing Properties Trust . . . . .	6,800	<u>130,356</u>
		<u>241,631</u>
<i>REAL ESTATE INVESTMENT TRUSTS - HOTELS (5.92%)</i>		
DiamondRock Hospitality Co. . . . .	15,000	77,700
Hersha Hospitality Trust . . . . .	20,000	84,200
Host Hotels & Resorts, Inc. . . . .	15,000	155,100
LaSalle Hotel Properties . . . . .	7,000	98,560
Strategic Hotels & Resorts, Inc. . . . .	14,000	<u>69,300</u>
		<u>484,860</u>
<i>REAL ESTATE INVESTMENT TRUSTS - OFFICE PROPERTY (13.02%)</i>		
Alexandria Real Estate Equities, Inc. . . . .	2,500	173,800
BioMed Realty Trust, Inc. . . . .	9,000	126,450
Boston Properties, Inc. (a) . . . . .	2,500	177,200
Corporate Office Properties Trust . . . . .	4,000	124,360
Douglas Emmett, Inc. . . . .	6,000	90,600
HRPT Properties Trust . . . . .	10,100	36,461
SL Green Realty Corp. (a) . . . . .	3,000	126,120
Vornado Realty Trust . . . . .	3,000	<u>211,650</u>
		<u>1,066,641</u>
<i>REAL ESTATE INVESTMENT TRUSTS - REGIONAL MALLS (0.23%)</i>		
General Growth Properties, Inc. . . . .	4,500	<u>18,630</u>
<i>REAL ESTATE INVESTMENT TRUSTS - SHOPPING CENTERS (5.60%)</i>		
Acadia Realty Trust . . . . .	4,800	86,736
Kimco Realty Corp. (a) . . . . .	4,000	90,320
Kite Realty Group Trust . . . . .	10,000	60,800
Saul Centers, Inc. . . . .	4,100	150,019
Weingarten Realty Investors . . . . .	3,450	<u>70,553</u>
		<u>458,428</u>
<i>REAL ESTATE INVESTMENT TRUSTS- STORAGE (6.09%)</i>		
Extra Space Storage, Inc. (a) . . . . .	15,000	\$ 172,650
Public Storage. (a) . . . . .	4,000	<u>326,000</u>
		<u>498,650</u>

See accompanying notes to financial statements.

**COMMONWEALTH INTERNATIONAL SERIES TRUST  
COMMONWEALTH REAL ESTATE SECURITIES FUND**

**SCHEDULE OF INVESTMENTS - October 31, 2008**

	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS (80.55%) — Continued</b>		
<b>REAL ESTATE INVESTMENT TRUSTS - WAREHOUSE &amp; INDUSTRIAL (3.19%)</b>		
AMB Property Corp. . . . .	3,500	84,105
EastGroup Properties, Inc. . . . .	3,000	100,440
ProLogis . . . . .	5,500	77,000
		<u>261,545</u>
<b>RETAIL BUILDING PRODUCTS (4.38%)</b>		
Home Depot, Inc. . . . .	6,000	141,540
Kingfisher PLC - ADR. . . . .	12,000	43,440
Lowe's Cos., Inc. . . . .	8,000	173,600
		<u>358,580</u>
<b>TOTAL COMMON STOCKS (Cost \$9,025,046)</b> . . . . .		<u>6,597,005</u>
<b>INVESTMENT COMPANIES (7.36%)</b>		
DWS RREEF Real Estate Fund, Inc. . . . .	9,000	49,320
iShares Cohen & Steers Realty Majors Index Fund . . . . .	3,000	154,830
iShares Dow Jones U.S. Real Estate Index Fund . . . . .	3,200	135,808
LMP Real Estate Income Fund, Inc. . . . .	16,000	103,680
SPDR Dow Jones Wilshire International REIT ETF . . . . .	2,500	71,250
SPDR Dow Jones Wilshire REIT ETF . . . . .	1,950	88,043
<b>TOTAL INVESTMENT COMPANIES (Cost \$959,096)</b> . . . . .		<u>602,931</u>
<b>BONDS (7.84%)</b>		
Centex Corp., 4.55%, 11/1/10 . . . . .	\$ 150,000	117,000
Hanson Australia Funding, Ltd., 5.25%, 3/15/13 . . . . .	250,000	155,017
Hilton Hotels Corp., 7.20%, 12/15/09 . . . . .	200,000	174,186
Vornado Realty LP, 4.50%, 8/15/09 . . . . .	200,000	195,915
<b>TOTAL BONDS (Cost \$800,506)</b> . . . . .		<u>642,118</u>
<b>ASSET BACKED SECURITIES (0.61%)</b>		
Greenpoint Manufactured Housing, 6.42%, 3/11/23, Series 2000-5, Class A2 (b)(c). . . . .	50,000	50,000
<b>TOTAL ASSET BACKED SECURITIES (Cost \$50,000)</b> . . . . .		<u>50,000</u>
<b>SHORT TERM INVESTMENT (6.69%)</b>		
Fifth Third Bank Institutional Govt. Money Market Fund, 2.00% (a)(b) . . . . .	547,616	547,616
<b>TOTAL SHORT TERM INVESTMENT (Cost \$547,616)</b> . . . . .		<u>547,616</u>
<b>TOTAL INVESTMENTS (Cost \$11,382,264) – ( 103.05%)</b>		8,439,670
<b>TOTAL CALL OPTIONS WRITTEN (Proceeds \$221,769) (-4.28%)**</b> . . . . .		(350,290)
<b>OTHER ASSETS IN EXCESS OF LIABILITIES – (1.23%)</b> . . . . .		<u>100,330</u>
<b>NET ASSETS – (100.00%)</b> . . . . .	\$	<u><u>8,189,710</u></u>

See accompanying notes to financial statements.

**COMMONWEALTH INTERNATIONAL SERIES TRUST  
COMMONWEALTH REAL ESTATE SECURITIES FUND**

**SCHEDULE OF INVESTMENTS - October 31, 2008**

	<u>Expiration Date</u> <u>Exercise Price</u>	<u>Contracts (†)</u>	<u>Value</u>
<b>CALL OPTIONS WRITTEN (-4.28%)</b>			
American Campus Communities, Inc.	3/21/09, \$22.5	11	\$ (5,940)
AvalonBay Communities, Inc.	1/17/09, 65.0	15	(19,650)
Boston Properties, Inc.	4/18/09, 75.0	25	(24,500)
Public Storage	12/20/08, 85.0	10	(8,700)
Camden Property Trust	2/21/09, 35.0	50	(18,500)
Equity Residential	4/18/09, 35.0	30	(19,500)
Equity Residential	4/18/09, 30.0	30	(27,600)
Essex Property Trust, Inc.	1/17/09, 90.0	10	(16,300)
Extra Space Storage, Inc.	3/21/09, 10.0	150	(48,000)
Kimco Realty Corp.	1/17/09, 22.5	40	(14,400)
Mid-America Apartment Communities, Inc.	3/21/09, 35.0	25	(15,000)
National Retail Properties, Inc.	6/20/09, 17.5	40	(14,800)
Public Storage	12/20/08, 80.0	30	(34,800)
SL Green Realty Corp.	5/16/09, 45.0	30	(32,700)
Toll Brothers, Inc.	3/21/09, 22.5	50	(24,000)
UDR, Inc.	4/18/09, 20.0	70	(25,900)
		<u>616</u>	<u>\$ (350,290)</u>
<b>TOTAL CALL OPTIONS WRITTEN (Proceeds received \$221,769)</b>			

- \* Represents non-income producing security.
- \*\* For more information regarding options written, please refer to Note 7 of the Notes to Financial Statements.
- † Each contract is equivalent to 100 shares.
- (a) Security held as collateral for call option written.
- (b) Variable Rate Security. The rate reflected in the Schedule of Investments is the rate in effect at October 31, 2008.
- (c) Fair Valued Security. This security represents 0.61% of net assets as of October 31, 2008.
- ADR American Depositary Receipt
- ETF Exchange-Traded Fund
- PLC Public Limited Company

See accompanying notes to financial statements.

**COMMONWEALTH INTERNATIONAL SERIES TRUST**

**STATEMENTS OF ASSETS AND LIABILITIES - October 31, 2008**

	<u>Commonwealth Australia/New Zealand Fund</u>	<u>Commonwealth Japan Fund</u>	<u>Commonwealth Global Fund</u>	<u>Commonwealth Real Estate Securities Fund</u>
<b>ASSETS:</b>				
Investments, at value (Cost \$24,710,157, \$5,478,289, \$14,737,066 and \$11,382,264) .....	\$ 19,622,735	\$ 4,798,771	\$ 13,353,171	\$ 8,439,670
Investments in affiliated companies, at value (Cost \$656,528, \$0, \$0 and \$0) .....	488,585	—	—	—
Total Investments, at value (Cost \$25,366,685, \$5,478,289, \$14,737,066 and \$11,382,264) .....	20,111,320	4,798,771	13,353,171	8,439,670
Cash .....	141	—	—	—
Foreign currency, at value (Cost \$1,207,417, \$67,415, \$0 and \$0) .....	1,158,452	72,214	—	—
Unrealized appreciation on forward foreign currency exchange contracts .....	275,949	—	—	—
Receivable for investments sold .....	208,830	111,770	652,669	198,448
Interest and dividends receivable .....	123,759	51,088	35,481	32,941
Receivable for shares of beneficial interest issued .....	349	60	—	—
Prepaid expenses .....	12,852	7,009	11,775	8,404
Total Assets .....	<u>21,891,652</u>	<u>5,040,912</u>	<u>14,053,096</u>	<u>8,679,463</u>
<b>LIABILITIES:</b>				
Payable for shares of beneficial interest redeemed .....	12,424	—	229	—
Options written, at value (Proceeds \$0, \$0, \$0, and \$221,769) .....	—	—	—	350,290
Line of credit borrowing .....	1,813,446	112,400	662,398	—
Accrued expenses and other payables:				
Due Custodian .....	—	—	—	105,789
Investment advisory .....	13,944	3,480	10,158	6,126
Administration .....	1,719	—	—	—
Distribution .....	—	—	3,999	—
Fund accounting .....	—	203	—	—
Transfer agent .....	25,664	7,718	8,031	4,763
Compliance .....	4,046	889	2,999	1,731
Custodian .....	4,910	1,295	1,673	772
Other .....	51,311	10,337	35,822	20,282
Total Liabilities .....	<u>1,927,464</u>	<u>136,322</u>	<u>725,309</u>	<u>489,753</u>
<b>NET ASSETS:</b> .....	<u>\$ 19,964,188</u>	<u>\$ 4,904,590</u>	<u>\$ 13,327,787</u>	<u>\$ 8,189,710</u>
<b>NET ASSET VALUE, OFFERING PRICE &amp; REDEMPTION (a) PRICE PER SHARE:</b>				
(1,837,067, 1,984,895, 1,193,720 and 1,082,672 shares of beneficial interest outstanding, respectively, par values .01, unlimited shares authorized) .....	<u>\$ 10.87</u>	<u>\$ 2.47</u>	<u>\$ 11.16</u>	<u>\$ 7.56</u>
<b>NET ASSETS CONSISTS OF:</b>				
Paid-in-Capital .....	\$ 20,232,456	\$ 5,821,099	\$ 14,866,249	\$ 11,596,971
Accumulated net investment income (loss) .....	2,682,196	—	(22,565)	—
Accumulated net realized gain (loss) from investments, foreign currency transactions and options .....	2,199,448	(244,892)	(132,002)	(336,146)
Net unrealized depreciation on investments, foreign currency transactions and written options .....	<u>(5,149,912)</u>	<u>(671,617)</u>	<u>(1,383,895)</u>	<u>(3,071,115)</u>
<b>NET ASSETS:</b> .....	<u>\$ 19,964,188</u>	<u>\$ 4,904,590</u>	<u>\$ 13,327,787</u>	<u>\$ 8,189,710</u>

(a) Subject to certain exceptions, a 2% redemption fee is imposed upon shares redeemed within 7 calendar days of their purchase.  
See accompanying notes to financial statements.

**COMMONWEALTH INTERNATIONAL SERIES TRUST**

**STATEMENTS OF OPERATIONS - For the Year Ended October 31, 2008**

	<b>Commonwealth Australia/New Zealand Fund</b>	<b>Commonwealth Japan Fund</b>	<b>Commonwealth Global Fund</b>	<b>Commonwealth Real Estate Securities Fund</b>
<b>INVESTMENT INCOME:</b>				
Interest . . . . .	\$ 1,728,780	\$ 27,161	\$ 72,446	\$ 106,474
Dividends . . . . .	1,447,498	117,116	475,616	78,492
Dividends from affiliated mutual funds . . . . .	—	—	25,628	—
Dividends from unaffiliated mutual funds . . . . .	—	—	—	61,277
Foreign tax withholding . . . . .	(169,053)	(7,679)	(20,306)	—
Total Investment Income . . . . .	<u>3,007,225</u>	<u>136,598</u>	<u>553,384</u>	<u>246,243</u>
<b>EXPENSES:</b>				
Management fees . . . . .	268,681	51,982	176,385	97,959
Legal fees . . . . .	83,961	17,060	58,934	32,219
Administration fees . . . . .	123,295	23,579	82,472	44,611
Accounting and transfer agent fees . . . . .	137,718	57,521	41,324	30,141
Distribution fees . . . . .	89,560	17,327	60,894	32,653
Custodian fees . . . . .	18,059	4,986	1,029	1,937
Miscellaneous fees . . . . .	96,081	16,440	59,755	31,495
Trustee fees and expenses . . . . .	46,197	8,701	30,492	16,360
Consulting services fees . . . . .	36,776	7,106	24,787	13,290
Compliance fees . . . . .	41,546	7,926	28,309	15,376
State registration and filing fees . . . . .	25,913	16,416	18,398	16,732
Interest expense . . . . .	12,959	1,790	216	—
Total Expenses . . . . .	<u>980,746</u>	<u>230,834</u>	<u>582,995</u>	<u>332,773</u>
Net Investment Income (Loss) . . . . .	<u>2,026,479</u>	<u>(94,236)</u>	<u>(29,611)</u>	<u>(86,530)</u>
<b>REALIZED/UNREALIZED GAINS (LOSSES) ON INVESTMENTS AND FOREIGN CURRENCY TRANSACTIONS:</b>				
Net realized gains (losses) on investments, unaffiliated issuers . . . . .	3,311,569	(145,115)	(186,214)	(425,894)
Realized gains distributions from affiliated mutual funds . . . . .	—	—	61,385	—
Realized gains distributions from unaffiliated mutual funds . . . . .	—	—	—	51,150
Net realized gains (losses) from options transactions . . . . .	—	(31,305)	—	38,599
Net realized gains (losses) on foreign currency transactions . . . . .	255,868	(299)	—	—
Net change in unrealized appreciation (depreciation) on: Investments, unaffiliated issuers . . . . .	(19,181,139)	(2,663,570)	(10,654,668)	(5,906,602)
Investments, affiliated issuers . . . . .	(87,474)	—	(288,405)	—
Options contracts written . . . . .	—	—	—	(117,001)
Foreign currency translations . . . . .	(2,046,335)	8,058	—	—
Net realized/unrealized gain (loss) from investments, options and foreign currency transactions . . . . .	<u>(17,747,511)</u>	<u>(2,832,231)</u>	<u>(11,067,902)</u>	<u>(6,359,748)</u>
Net Decrease In Net Assets Resulting From Operations . . . . .	<u>\$ (15,721,032)</u>	<u>\$ (2,926,467)</u>	<u>\$ (11,097,513)</u>	<u>\$ (6,446,278)</u>

See accompanying notes to financial statements.



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

**STATEMENTS OF CHANGES IN NET ASSETS**

	<b>Commonwealth Australia/ New Zealand Fund</b>	
	<b>Year Ended October 31, 2008</b>	<b>Year Ended October 31, 2007</b>
<b>OPERATIONS:</b>		
Net investment income .....	\$ 2,026,479	\$ 419,066
Net realized gain on investments and options transactions .....	3,311,569	3,208,520
Net realized gain from foreign currency transactions .....	255,868	99,166
Net change in unrealized appreciation/depreciation on investments and foreign currency translations .....	<u>(21,314,948)</u>	<u>7,300,747</u>
Change in net assets resulting from operations .....	<u>(15,721,032)</u>	<u>11,027,499</u>
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Net investment income .....	(1,290,986)	(123,094)
Net realized gains .....	<u>(3,092,171)</u>	<u>(4,575,607)</u>
Change in net assets from distributions .....	<u>(4,383,157)</u>	<u>(4,698,701)</u>
<b>CAPITAL TRANSACTIONS:</b>		
Proceeds from shares issued .....	12,605,426	18,593,109
Distributions reinvested .....	3,767,395	3,702,152
Cost of shares redeemed .....	<u>(21,747,423)</u>	<u>(18,272,312)</u>
Change in net assets resulting from capital transactions .....	<u>(5,374,602)</u>	<u>4,022,949</u>
Change in net assets .....	<u>(25,478,791)</u>	<u>10,351,747</u>
<b>NET ASSETS:</b>		
Beginning of year .....	<u>45,442,979</u>	<u>35,091,232</u>
End of year .....	<u>\$ 19,964,188</u>	<u>\$ 45,442,979</u>
Accumulated net investment income .....	<u>\$ 2,682,196</u>	<u>\$ 477,690</u>
<b>SHARE TRANSACTIONS:</b>		
Issued .....	812,185	1,011,611
Reinvested .....	218,526	221,421
Redeemed .....	<u>(1,428,265)</u>	<u>(1,010,506)</u>
Change in shares .....	<u>(397,554)</u>	<u>222,526</u>

See accompanying notes to financial statements.

**COMMONWEALTH INTERNATIONAL SERIES TRUST  
COMMONWEALTH JAPAN FUND**

**STATEMENTS OF CHANGES IN NET ASSETS**

	<b>Commonwealth Japan Fund</b>	
	<b>Year Ended October 31, 2008</b>	<b>Year Ended October 31, 2007</b>
<b>OPERATIONS:</b>		
Net investment loss . . . . .	\$ (94,236)	\$ (149,282)
Net realized loss on investments . . . . .	(176,420)	(67,175)
Net realized gain (loss) from foreign currency transactions . . . . .	(299)	4,656
Net change in unrealized appreciation/depreciation on investments and foreign currency translations . . . . .	(2,655,512)	274,281
Change in net assets resulting from operations . . . . .	(2,926,467)	62,480
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Net realized gains . . . . .	—	(1,128,869)
Change in net assets from distributions . . . . .	—	(1,128,869)
<b>CAPITAL TRANSACTIONS:</b>		
Proceeds from shares issued . . . . .	3,661,006	4,143,601
Distributions reinvested . . . . .	—	524,182
Cost of shares redeemed . . . . .	(3,950,711)	(3,771,827)
Change in net assets resulting from capital transactions . . . . .	(289,705)	895,956
Change in net assets . . . . .	(3,216,172)	(170,433)
<b>NET ASSETS:</b>		
Beginning of year . . . . .	8,120,762	8,291,195
End of year . . . . .	\$ 4,904,590	\$ 8,120,762
Accumulated net investment income (loss) . . . . .	\$ —	\$ —
<b>SHARE TRANSACTIONS:</b>		
Issued . . . . .	1,172,436	1,042,600
Reinvested . . . . .	—	137,943
Redeemed . . . . .	(1,311,141)	(973,536)
Change in shares . . . . .	(138,705)	207,007

See accompanying notes to financial statements.

**COMMONWEALTH INTERNATIONAL SERIES TRUST  
COMMONWEALTH GLOBAL FUND**

**STATEMENTS OF CHANGES IN NET ASSETS**

	<b>Commonwealth Global Fund</b>	
	<b>Year Ended October 31, 2008</b>	<b>Year Ended October 31, 2007</b>
<b>OPERATIONS:</b>		
Net investment income (loss) .....	\$ (29,611)	\$ 72,655
Net realized gain (loss) on investments and foreign currency transactions .....	(124,829)	1,604,678
Net change in unrealized appreciation/depreciation on investments and foreign currency transactions .....	(10,943,073)	3,772,807
Change in net assets resulting from operations .....	(11,097,513)	5,450,140
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Net investment income .....	(19,811)	—
Net realized gains .....	(1,670,278)	(1,254,438)
Change in net assets from distributions .....	(1,690,089)	(1,254,438)
<b>CAPITAL TRANSACTIONS:</b>		
Proceeds from shares issued .....	1,616,154	2,409,256
Distributions reinvested .....	1,670,759	1,241,396
Cost of shares redeemed .....	(6,212,078)	(2,330,763)
Change in net assets resulting from capital transactions .....	(2,925,165)	1,319,889
Change in net assets .....	(15,712,767)	5,515,591
<b>NET ASSETS:</b>		
Beginning of year .....	29,040,554	23,524,963
End of year .....	\$ 13,327,787	\$ 29,040,554
Accumulated net investment income (loss) .....	\$ (22,565)	\$ 7,055
<b>SHARE TRANSACTIONS:</b>		
Issued .....	107,237	136,717
Reinvested .....	93,841	71,773
Redeemed .....	(461,447)	(132,493)
Change in shares .....	(260,369)	75,997

See accompanying notes to financial statements.

**COMMONWEALTH INTERNATIONAL SERIES TRUST  
COMMONWEALTH REAL ESTATE SECURITIES FUND**

**STATEMENTS OF CHANGES IN NET ASSETS**

	<b>Commonwealth Real Estate Securities Fund</b>	
	<b>Year Ended October 31, 2008</b>	<b>Year Ended October 31, 2007</b>
<b>OPERATIONS:</b>		
Net investment income (loss) .....	\$ (86,530)	\$ 63,265
Net realized gain (loss) on investments and options .....	(336,145)	1,045,703
Net change in unrealized appreciation/depreciation on investments and options .....	(6,023,603)	(851,548)
Change in net assets resulting from operations .....	(6,446,278)	257,420
<b>DISTRIBUTIONS TO SHAREHOLDERS:</b>		
Net investment income .....	—	(93,720)
Net realized gains .....	(1,005,858)	(32,294)
Return of capital .....	(187,252)	—
Change in net assets from distributions .....	(1,193,110)	(126,014)
<b>CAPITAL TRANSACTIONS:</b>		
Proceeds from shares issued .....	1,490,846	1,126,674
Distributions reinvested .....	1,168,142	121,754
Cost of shares redeemed .....	(1,866,568)	(921,521)
Change in net assets resulting from capital transactions .....	792,420	326,907
Change in net assets .....	(6,846,968)	458,313
<b>NET ASSETS:</b>		
Beginning of year .....	15,036,678	14,578,365
End of year .....	\$ 8,189,710	\$ 15,036,678
Accumulated net investment income (loss) .....	\$ —	\$ —
<b>SHARE TRANSACTIONS:</b>		
Issued .....	138,551	76,771
Reinvested .....	100,184	8,420
Redeemed .....	(213,929)	(63,841)
Change in shares .....	24,806	21,350

See accompanying notes to financial statements.

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

**FINANCIAL HIGHLIGHTS**

Selected data for a share outstanding throughout the years indicated.

	<b>For the year ended 10/31/2008</b>	<b>For the year ended 10/31/2007</b>	<b>For the year ended 10/31/2006</b>	<b>For the year ended 10/31/2005</b>	<b>For the year ended 10/31/2004</b>
<b>Net Asset Value, Beginning of Year</b>	\$ 20.34	\$ 17.44	\$ 16.43	\$ 16.39	\$ 14.44
<b>Change in net assets from operations:</b>					
Net investment income . . . . .	1.04	0.19	0.26	0.35	0.26
Net realized and unrealized gains (losses) on investments . . . . .	<u>(8.47)</u>	<u>5.00</u>	<u>1.98</u>	<u>1.41</u>	<u>2.11</u>
Total from investment activities . . . . .	<u>(7.43)</u>	<u>5.19</u>	<u>2.24</u>	<u>1.76</u>	<u>2.37</u>
<b>Distributions:</b>					
Net investment income . . . . .	(0.60)	(0.06)	(0.48)	(0.48)	(0.21)
Net realized gains . . . . .	<u>(1.44)</u>	<u>(2.23)</u>	<u>(0.75)</u>	<u>(1.24)</u>	<u>(0.21)</u>
Total Distributions . . . . .	<u>(2.04)</u>	<u>(2.29)</u>	<u>(1.23)</u>	<u>(1.72)</u>	<u>(0.42)</u>
<b>Net Asset Value, End of Year</b> . . . . .	<u>\$ 10.87</u>	<u>\$ 20.34</u>	<u>\$ 17.44</u>	<u>\$ 16.43</u>	<u>\$ 16.39</u>
<b>Total return</b> . . . . .	<u>(40.25)%</u>	<u>32.60%</u>	<u>14.58%</u>	<u>11.08%</u>	<u>16.70%</u>
Net assets at end of year (000's) . . . . .	\$ 19,964	\$ 45,443	\$ 35,091	\$ 52,980	\$ 43,103
<b>Ratios/Supplemental Data:</b>					
Ratio of net expenses to average net assets . . . . .	2.74%	2.55%	2.94%(a)(b)	2.12%(a)	2.10%(a)
Ratio of net investment income to average net assets . . . . .	5.67%	1.03%	1.32%(a)	2.29%(a)	2.44%(a)
Portfolio turnover rate . . . . .	21%	21%	20%	32%	55%

- (a) In accordance with a requirement of the SEC, the ratios reflect total expenses prior to the reduction of "fees paid indirectly". The ratios of expenses to average daily net assets and net investment income to average daily net assets, net of fees paid indirectly would have been 2.94% and 1.32%, respectively, for the year ended October 31, 2006 and 2.12% and 2.29%, respectively, for the year ended October 31, 2005 and 2.09% and 2.45%, respectively, for the year ended October 31, 2004.
- (b) The reimbursement of certain interest costs by the Advisor related to an SEC settlement on November 29, 2006 reduced the expense ratio by 0.01%.

See accompanying notes to financial statements.

**COMMONWEALTH INTERNATIONAL SERIES TRUST  
COMMONWEALTH JAPAN FUND**

**FINANCIAL HIGHLIGHTS**

Selected data for a share outstanding throughout the years indicated.

	<b>For the year ended 10/31/2008</b>	<b>For the year ended 10/31/2007</b>	<b>For the year ended 10/31/2006</b>	<b>For the year ended 10/31/2005</b>	<b>For the year ended 10/31/2004</b>
<b>Net Asset Value, Beginning of Year</b> . . . . .	\$ 3.82	\$ 4.33	\$ 4.15	\$ 3.61	\$ 3.98
<b>Change in net assets from operations:</b>					
Net investment loss . . . . .	(0.04)	(0.07)	(0.09)	(0.07)	(0.09)
Net realized and unrealized gains (losses) on investments . . . . .	(1.31)	0.11	0.32	0.61	(0.28)(b)
Total from investment activities . . . . .	(1.35)	0.04	0.23	0.54	(0.37)
<b>Distributions:</b>					
Net realized gains . . . . .	—	(0.55)	(0.05)	—	—
Total Distributions . . . . .	—	(0.55)	(0.05)	—	—
<b>Net Asset Value, End of Year</b> . . . . .	<u>\$ 2.47</u>	<u>\$ 3.82</u>	<u>\$ 4.33</u>	<u>\$ 4.15</u>	<u>\$ 3.61</u>
<b>Total return</b> . . . . .	<u>(35.34)%</u>	<u>1.02%</u>	<u>5.60%</u>	<u>14.96%</u>	<u>(9.30)%</u>
Net assets at end of year (000's) . . . . .	\$ 4,905	\$ 8,121	\$ 8,291	\$ 8,395	\$ 7,873
<b>Ratios/Supplemental Data:</b>					
Ratio of net expenses to average net assets . . . . .	3.33%	3.19%	3.20%(a)(c)	3.07%(a)	3.13%(a)
Ratio of net investment loss to average net assets . . . . .	(1.36)%	(1.78)%	(1.86)% (a)	(1.57)% (a)	(2.42)% (a)
Portfolio turnover rate . . . . .	10%	2%	50%	47%	77%

- (a) In accordance with a requirement of the SEC, the ratios reflect total expenses prior to the reduction of “fees paid indirectly”. The ratios of expenses to average daily net assets and net investment loss to average daily net assets, net of fees paid indirectly would have been 3.19% and (1.85)%, respectively, for the year ended October 31, 2006 and 3.03% and (1.53)%, respectively, for the year ended October 31, 2005 and 3.09% and (2.38)%, respectively, for the year ended October 31, 2004.
- (b) As required by SEC standard per share data calculation methodology, this represents a balancing figure derived from the other amounts in the financial highlights table that captures all other changes affecting net asset value per share. This per share loss amount does not correlate to the aggregate of the net realized and unrealized gain and loss items in the Statement of Operations for the year ending October 31, 2004, which netted to a gain, primarily because of the timing of sales and repurchases of the Fund’s shares in relation to fluctuating market values for the Fund’s portfolio.
- (c) The reimbursement of certain interest costs by the Advisor related to an SEC settlement on November 29, 2006 reduced the expense ratio by 0.15%.

See accompanying notes to financial statements.

**COMMONWEALTH INTERNATIONAL SERIES TRUST  
COMMONWEALTH GLOBAL FUND**

**FINANCIAL HIGHLIGHTS**

Selected data for a share outstanding throughout the years indicated.

	<b>For the year ended 10/31/2008</b>	<b>For the year ended 10/31/2007</b>	<b>For the year ended 10/31/2006</b>	<b>For the year ended 10/31/2005</b>	<b>For the year ended 10/31/2004</b>
<b>Net Asset Value, Beginning of Year</b>	\$ 19.97	\$ 17.07	\$ 15.06	\$ 13.89	\$ 11.99
<b>Change in net assets from operations:</b>					
Net investment income (loss) . . . . .	(0.02)	0.04	(0.09)	(0.01)	(0.08)
Net realized and unrealized gains (losses) on investments . . . . .	(7.60)	3.77	2.47	1.63	1.98
Total from investment activities . . . . .	<u>(7.62)</u>	<u>3.81</u>	<u>2.38</u>	<u>1.62</u>	<u>1.90</u>
<b>Distributions:</b>					
Net investment income . . . . .	(0.01)	—	—	—	—
Net realized gains . . . . .	(1.18)	(0.91)	(0.37)	(0.45)	—
Total Distributions . . . . .	<u>(1.19)</u>	<u>(0.91)</u>	<u>(0.37)</u>	<u>(0.45)</u>	<u>—</u>
<b>Net Asset Value, End of Year . . . . .</b>	<b>\$ 11.16</b>	<b>\$ 19.97</b>	<b>\$ 17.07</b>	<b>\$ 15.06</b>	<b>\$ 13.89</b>
<b>Total return . . . . .</b>	<b><u>(40.36)%</u></b>	<b><u>23.13%</u></b>	<b><u>16.04%</u></b>	<b><u>11.68%</u></b>	<b><u>15.85%</u></b>
Net assets at end of year (000's) . . . . .	\$ 13,328	\$ 29,041	\$ 23,525	\$ 20,356	\$ 14,969
<b>Ratios/Supplemental Data:</b>					
Ratio of net expenses to average net assets . . . . .	2.43%	2.34%	2.72%(a)	2.38%(a)	2.45%(a)
Ratio of net investment income (loss) to average net assets . . . . .	(0.12)%	0.27%	(0.55)% (a)	(0.15)% (a)	(0.76)% (a)
Portfolio turnover rate . . . . .	7%	12%	36%	33%	44%

(a) In accordance with a requirement of the SEC, the ratios reflect total expenses prior to the reduction of "fees paid indirectly". The ratios of expenses to average daily net assets and net investment loss to average daily net assets, net of fees paid indirectly would have been 2.72%, and (0.55)%, respectively, for the year ended October 31, 2006 and 2.33% and (0.10)%, respectively, for the year ended October 31, 2005 and 2.40% and (0.71)%, respectively, for the year ended October 31, 2004.

See accompanying notes to financial statements.

**COMMONWEALTH INTERNATIONAL SERIES TRUST  
COMMONWEALTH REAL ESTATE SECURITIES FUND**

**FINANCIAL HIGHLIGHTS**

Selected data for a share outstanding throughout the periods indicated.

	<b>For the year ended 10/31/2008</b>	<b>For the year ended 10/31/2007</b>	<b>For the year ended 10/31/2006</b>	<b>For the year ended 10/31/2005</b>	<b>For the period ended 10/31/2004*</b>
<b>Net Asset Value, Beginning of Period</b>	\$ 14.21	\$ 14.06	\$ 11.85	\$ 10.54	\$ 10.00
<b>Change in net assets from operations:</b>					
Net investment income (loss) . . . . .	(0.08)	0.06	0.04	0.11	0.02
Net realized and unrealized gains (losses) on investments . . . . .	<u>(5.45)</u>	<u>0.21</u>	<u>2.28</u>	<u>1.28</u>	<u>0.52</u>
Total from investment activities . . . . .	<u>(5.53)</u>	<u>0.27</u>	<u>2.32</u>	<u>1.39</u>	<u>0.54</u>
<b>Distributions:</b>					
Net investment income . . . . .	—	(0.09)	(0.11)	(0.07)	—
Net realized gains . . . . .	(0.95)	(0.03)	—(a)	(0.01)	—
Return of Capital . . . . .	<u>(0.17)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total Distributions . . . . .	<u>(1.12)</u>	<u>(0.12)</u>	<u>(0.11)</u>	<u>(0.08)</u>	<u>—</u>
<b>Net Asset Value, End of Period</b> . . . . .	<u>\$ 7.56</u>	<u>\$ 14.21</u>	<u>\$ 14.06</u>	<u>\$ 11.85</u>	<u>\$ 10.54</u>
<b>Total return</b> . . . . .	<u>(41.65)%</u>	<u>1.91%</u>	<u>19.74%</u>	<u>13.11%</u>	<u>5.40%(b)</u>
Net assets at end of period (000's) . . . . .	\$ 8,190	\$ 15,037	\$ 14,578	\$ 12,490	\$ 6,645
<b>Ratios/Supplemental Data:</b>					
Ratio of net expenses to average net assets . . . . .	2.55%	2.49%	2.87%(c)	2.66%(c)	3.45%(c)(d)
Ratio of net investment income (loss) to average net assets . . . . .	(0.66)%	0.41%	0.29%(c)	0.93%(c)	0.33%(c)(d)
Portfolio turnover rate . . . . .	13%	20%	8%	5%	3%

\* Commenced operations on January 5, 2004.

(a) Value is less than \$0.005.

(b) Aggregate total return, not annualized.

(c) In accordance with a requirement of the SEC, the ratios reflect total expenses prior to the reduction of "fees paid indirectly". The ratios of expenses to average daily net assets and net investment income to average daily net assets, net of fees paid indirectly would have been 2.86% and 0.30%, respectively, for the year ended October 31, 2006 and 2.62% and 0.97%, respectively, for the year ended October 31, 2005 and 3.40% and 0.38%, respectively, for the year ended October 31, 2004.

(d) Annualized.

See accompanying notes to financial statements.



# COMMONWEALTH INTERNATIONAL SERIES TRUST

## NOTES TO FINANCIAL STATEMENTS - October 31, 2008

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**Note 1 - Organization** - Commonwealth International Series Trust (the "Trust") is registered under the Investment Company Act of 1940, as amended (the "Act"), as a diversified open-end management investment company. The Trust currently consists of four diversified series: the Commonwealth Australia/New Zealand Fund (the "Australia/New Zealand 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 conditions, at least 80% of each Fund's total assets will be invested in the country or asset class specified in its name.

The Australia/New Zealand Fund invests primarily in equity securities, including common stock, preferred stock, securities convertible into common stock, debt securities denominated in Australian or New Zealand currency and securities of Australia/New Zealand issuers. Australia/New Zealand issuers include: issuers that are organized under Australian or New Zealand law; issuers that are listed on the Australian and/or New Zealand stock exchanges regardless of the country in which the issuer is organized; issuers that derive 50% or more of their total revenue from goods and/or services produced or sold in Australia and/or New Zealand; and Australian and/or New Zealand central and local government entities.

The Japan Fund invests primarily in equity securities, including common stock, preferred stock, securities convertible into common stock, debt securities denominated in Yen and securities of Japanese issuers. Japanese issuers include issuers that are organized under Japanese law; issuers that are listed on one or more of the Japanese stock exchanges regardless of the country in which the issuer is organized; issuers that derive 50% or more of their total revenue from goods and/or services produced or sold in Japan; and Japanese central and local government entities.

The Global Fund invests primarily in U.S. and foreign equity securities, including common stock, preferred stock, securities convertible into common stock and debt securities. Although the Fund can invest in companies of any size and from any country, it generally focuses on established companies in countries with developed economies.

The Real Estate Securities Fund invests primarily in equity securities, including common stock, preferred stock, securities convertible into common stock and debt securities of companies in real estate industries, which may include real estate investment trusts ("REITs"), publicly traded real estate development companies, real estate management companies, building supply companies, timber companies, real property holdings and other publicly-traded companies involved in real estate related activities and industries. The Fund's investments normally will be allocated among a number of companies representing diverse investment policies and real property holdings. Consistent with the Fund's investment objective, certain securities will be selected for high current return, while others will be chosen for long-term capital appreciation potential.

**Note 3 - Significant Accounting Policies** - The following is a summary of significant accounting policies consistently followed by the Funds in the preparation of its financial statements. 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 primarily on the basis of market quotations or official closing prices or, if there is no recent last sales price available, reference is made to at 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 the 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 the Fund 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 fair value prices provided by a pricing service will be utilized if certain conditions are met. For the year ended October 31, 2008, 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.

## COMMONWEALTH INTERNATIONAL SERIES TRUST

### NOTES TO FINANCIAL STATEMENTS - October 31, 2008 (Continued)

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**B) Accounting Pronouncements** - During September 2006, the Financial Accounting Standards Board (“FASB”) issued Statement on Financial Accounting Standards No. 157, “Fair Value Measurements” (“SFAS 157”). This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. SFAS 157 applies to fair value measurements already required or permitted by existing standards. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The changes to current GAAP from the application of SFAS 157 relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. Management does not believe the adoption of SFAS 157 will impact the Funds’ financial statement amounts. However, additional disclosures may be required about the inputs used in determining the measurements and the effect of certain measurements on changes in net assets for the period. For the Funds, SFAS 157 is effective November 1, 2008.

In March 2008, FASB issued the Statement of Financial Accounting Standards No. 161, “Disclosures about Derivative Instruments and Hedging Activities” (“SFAS 161”). SFAS 161 is effective for fiscal years and interim periods beginning after November 15, 2008. SFAS 161 requires enhanced disclosures about each fund’s derivative and hedging activities, including how such activities are accounted for and their effect on the fund’s financial position, performance and cash flows. Management is currently evaluating the impact the adoption of SFAS 161 will have on each Fund’s financial statements and related disclosures.

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

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

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.

Effective April 30, 2008, the Funds adopted FASB Interpretation No. 48 “Accounting for the Uncertainty in Income Taxes” (“FIN 48”). FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Funds’ tax returns to determine whether the tax positions will “more-likely-than-not” be sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold and that would result in a tax benefit or expense to the Funds would be recorded as a tax benefit or expense in the current period and recognized as: a liability for unrecognized tax benefits; a reduction of an income tax refund receivable; a reduction of a deferred tax asset; an increase in deferred tax liability; or a combination thereof. The Funds have not recognized any tax liability for unrecognized tax benefits in connection with the adoption of FIN 48. A reconciliation is not provided herein, as the beginning and ending amounts of unrecognized benefits are zero, with no interim additions, reductions or settlements. Tax years 2004 through present remain subject to examination by the U.S. taxing authorities.

**F) 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, short-term gains and capital loss carryovers.

## COMMONWEALTH INTERNATIONAL SERIES TRUST

### NOTES TO FINANCIAL STATEMENTS - October 31, 2008 (Continued)

**G) Option Accounting Principles** - When a Fund sells 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.

**H) 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.

At October 31, 2008, the Australia/New Zealand Fund had outstanding forward currency contracts to sell foreign currency against U.S. dollars as follows:

Foreign Currency Sale Contract	Currency Amount	Value at Settlement Date Payable	Current Value at October 31, 2008	Unrealized Appreciation
Australian Dollar				
Settlement Date 11/03/08	AUD 960,000	\$ 639,840	\$ 637,533	\$ 2,307
New Zealand Dollar				
Settlement Date 12/30/08	NZD 1,500,000	\$1,138,500	\$ 865,996	\$ 272,504
New Zealand Dollar				
Settlement Date 11/03/08	NZD 350,000	\$ 204,750	\$ 203,612	\$ 1,138
Totals		<u>\$1,983,090</u>	<u>\$ 1,707,141</u>	<u>\$ 275,949</u>

**I) 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.

**J) 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.

#### Note 4 – Related Party Transactions and Other Arrangements

**A) Investment Advisor** – The Trust, on behalf of each Fund, has retained FCA Corp (“FCA”) as the Funds’ investment advisor. Under each Fund’s Investment Advisory Agreement, FCA is paid a monthly fee based on the average daily net assets at the annual rate of 0.75%. Certain officers of the Trust are also officers of FCA.

**B) Administration, Fund Accounting and Transfer Agent** – Citi Fund Services Ohio, Inc. (“CFSO”), who serves as the Trust’s administrator, fund accountant and transfer agent, is a wholly-owned subsidiary of Citibank N.A. (“Citi”). An officer of the Trust also is an employee of

## COMMONWEALTH INTERNATIONAL SERIES TRUST

### NOTES TO FINANCIAL STATEMENTS - October 31, 2008 (Continued)

CFSO, but is paid no fees directly by the Funds for serving as an officer of the Trust. Under the Master Services Agreement with the Trust, CFSO is entitled to receive an annual fee calculated at a tiered rate based upon the average daily net assets of the Funds subject to annual minimum fees. The amounts charged to the Funds for the services provided by CFSO are reported within the Statement of Operations. Under a Compliance Services Agreement between the Trust and CFSO, CFSO also provides infrastructure and support in implementing the written policies and procedures comprising the Funds' compliance program, including support services to the Trust's chief compliance officer. For the services provided under the Compliance Services Agreement, the Funds pay CFSO an annual fee of \$40,000.

**C) Distribution** – The Trust has retained Foreside Distribution Services, L.P. (“Foreside”), a wholly-owned subsidiary of Foreside Financial Group, LLC, to serve as principal underwriter for the shares of each Fund of the Trust, pursuant to a Distribution Agreement between Foreside and the Trust. For its services, Foreside receives an annual fee of \$20,000. Foreside is not affiliated with Citi, CFSO or FCA.

Each Fund has adopted a Service and Distribution Plan (each a “Plan”) pursuant to Rule 12b-1 under the 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.

**D) Other** – The Trust has entered in to an agreement with an independent contractor to provide Chief Compliance Officer services at an annual rate of \$36,000, plus out of pocket expenses. These expenses are included with compliance fees within the Trust's Statement of Operations. The Chief Compliance Officer is also an officer of the Trust.

**Note 5 - Investments in Affiliates** - The Global Fund may invest a portion of its assets in the remaining three Funds in the Trust. The Funds are considered to be affiliated under the 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. Details of the Global Fund's holdings in the Australia/New Zealand and Japan Funds and related transactions during the year ended October 31, 2008 appear below:

	Beginning shares	Purchases	Sales	Ending Shares	Dividend Income*	Market Value
Australia/New Zealand Fund	42,777	5,047	47,824	—	\$25,628	\$ —
Japan Fund	42,405	—	42,405	—	—	—
Totals					<u>\$25,628</u>	<u>\$ —</u>

\*Dividends received were reinvested into the Australia/New Zealand Fund. The Global Fund received 5,047 shares of the Australia/New Zealand Fund from the reinvested dividends, including capital gains distributions.

A company is considered an affiliate of a fund under the Act if the fund's holdings in that company represent 5% or more of the outstanding voting shares of that company. The Australia/New Zealand Fund's holding below is shown in its Schedule of Investments. Further detail on this holding during the year ended October 31, 2008 appears below:

	Beginning shares	Purchases	Sales	Ending Shares	Dividend Income	Market Value
Mowbray Collectables, Ltd.	511,593	160,000	—	671,593	\$ —	\$488,585

**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, 2008 were as follows:

	Purchases	Sales
Australia/New Zealand Fund	\$7,246,055	\$ 12,630,218
Japan Fund	706,917	982,344
Global Fund	1,567,527	5,001,985
Real Estate Securities Fund	2,003,846	1,417,330

## COMMONWEALTH INTERNATIONAL SERIES TRUST

### NOTES TO FINANCIAL STATEMENTS - October 31, 2008 (Continued)

**Note 7 - Options Written by the Real Estate Securities Fund** - A call option gives the holder the right to buy the underlying stock from the writer (the "Fund") at a specified price within a fixed period of time. Therefore, the securities held by the Fund against which options are written may not be traded and are held in escrow by the custodian.

Written option activity for the year ended October 31, 2008 was as follows:

Commonwealth Real Estate Securities Fund	Number of Options	Amount of Proceeds
Options outstanding at October 31, 2007	—	\$ —
Options written	(746)	(288,608)
Options expired	40	14,120
Options covered	90	52,719
Options outstanding at October 31, 2008	<u>(616)</u>	<u>\$(221,769)</u>

**Note 8 - Tax Matters** - The Fund's tax-basis capital gains and losses are determined only at the end of each fiscal year. As of October 31, 2008, the Funds' most recent fiscal year end, the components of distributable earnings on a tax basis for the Funds were as follows:

	Undistributed Ordinary Income	Undistributed Long-Term Capital Gains	Accumulated Capital and Other Losses	Unrealized Appreciation/ Depreciation	Accumulated Deficit
Australia/New Zealand Fund	\$3,111,939	\$2,209,536	\$ —	\$(5,589,743)	\$ (268,268)
Japan Fund	—	—	(244,892)	(671,617)	(916,509)
Global Fund	—	—	(132,002)	(1,406,460)	(1,538,462)
Real Estate Securities Fund	—	—	(336,146)	(3,071,115)	(3,407,261)

The difference between book basis and tax basis unrealized appreciation (depreciation) is attributable primarily to the tax deferral of losses on wash sales. The difference between book basis undistributed net investment income and tax basis undistributed ordinary net investment income is attributable primarily to differing book/tax treatment of short term capital gains, mark to market of passive foreign investment companies, forward currency contract mark to market, and income accruals surrounding certain debt structured instruments.

For U.S. federal income tax purposes, the cost of securities owned, gross appreciation, gross depreciation and net unrealized appreciation/ (depreciation) of investments at October 31, 2008 for each Fund were as follows:

	Tax Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Depreciation
Australia/New Zealand Fund	\$25,530,567	\$1,607,708	\$(7,026,955)	\$(5,419,247)
Japan Fund	5,478,289	934,169	(1,613,687)	(679,518)
Global Fund	14,759,631	1,602,797	(3,009,257)	(1,406,460)
Real Estate Securities Fund	11,331,261	364,365	(3,255,956)	(2,891,591)

The tax character of distributions paid for the year ended October 31, 2008 and the year ended October 31, 2007 were as follows:

	Year ended October 31, 2008			
	Ordinary Income	Long Term Capital Gains	Tax Return of Capital	Total Distributions Paid
Australia/New Zealand Fund	\$1,410,279	\$2,972,878	\$ —	\$4,383,157
Japan Fund	—	—	—	—
Global Fund	104,553	1,585,536	—	1,690,089
Real Estate Securities Fund	135,591	870,267	187,252	1,193,110

## COMMONWEALTH INTERNATIONAL SERIES TRUST

### NOTES TO FINANCIAL STATEMENTS - October 31, 2008 (Continued)

	Year ended October 31, 2007			
	Ordinary Income	Long Term Capital Gains	Tax Return of Capital	Total Distributions Paid
Australia/New Zealand Fund	\$946,630	\$3,752,071	\$ —	\$4,698,701
Japan Fund	217,021	902,982	8,866	1,128,869
Global Fund	84,742	1,169,696	—	1,254,438
Real Estate Securities Fund	93,720	32,294	—	126,014

As of October 31, 2008 the following Funds had net capital loss carryforwards, which are available to offset future realized gains, if any. To the extent these carryforwards are used to offset future gains, it is probable that the amount offset will not be distributed to shareholders.

	Amount	Expires
Japan Fund	\$ 68,472	2015
Japan Fund	176,420	2016
Global Fund	132,002	2016
Real Estate Securities Fund	336,146	2016

**Note 9 - Revolving Credit Agreement** - The Trust has entered into a Revolving Credit Agreement (the “Agreement”) with 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 in an amount up to \$10,000,000 as a temporary measure for extraordinary or emergency purposes based on instructions received from an authorized representative of the Trust. The Trust shall not at any time incur borrowings with respect to the Funds such that the aggregate loans then outstanding under the line of credit facility would exceed \$10,000,000. Such borrowings are also limited by the Act, which permits a Fund to borrow for temporary purposes only in an amount not exceeding 5% of the value of its total assets at the time when the loan is made. A loan shall be presumed to be for temporary purposes if it is repaid within 60 days and is not extended or renewed. Each Fund is also permitted, consistent with the Act, to borrow, and pledge its shares to secure such borrowings, provided, that immediately thereafter there is asset coverage of at least 300% for all borrowings by the Fund from a bank. Any principal balance outstanding shall bear interest at the Federal Funds Rate in effect at that time plus 1.50%.

The average amount of borrowings for the days on which the Funds borrowed and the average interest rate on those borrowings by the Funds during the year ended October 31, 2008 were as follows:

	Average Principal	Average Interest Rate
Australia/New Zealand Fund	\$663,534	4.21%
Japan Fund	128,149	3.68%
Global Fund	422,507	2.38%

For the year ended October 31, 2008 the Real Estate Securities Fund had no loans from the Revolving Credit Agreement.

## COMMONWEALTH INTERNATIONAL SERIES TRUST

### NOTES TO FINANCIAL STATEMENTS - October 31, 2008 (Continued)

**Note 10 - Reclassification of Capital Accounts** - In accordance with accounting pronouncements, 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, 2008, the Funds recorded the following reclassifications to increase (decrease) the capital accounts listed below:

	Year ended October 31, 2008		
	Undistributed Net Investment Income	Net Realized Gain (Accumulated Losses)	Paid-in Capital
Australia/New Zealand Fund	\$1,469,013	\$(1,469,011)	\$ (2)
Japan Fund	94,236	299	(94,535)
Global Fund	19,802	(7,171)	(12,631)
Real Estate Securities Fund	86,530	—	(86,530)

**Note 11 - Contractual Obligations** - 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. However, based on experience, the Funds consider the risk of loss from such potential claims to be remote.

**Note 12 - 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 exclusively 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, many of the investments in Australia, New Zealand or Japan are 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.

A large portion of investments held by the Real Estate Securities Fund are considered investments in the real estate sector of the market. Investing in a single market sector may be riskier than investing in a variety of market sectors.

# COMMONWEALTH INTERNATIONAL SERIES TRUST

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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To the Shareholders and Board of Trustees  
Commonwealth International Series Trust

We have audited the 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, 2008, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the years in the two-year period then ended, and the financial highlights for each of the years or periods in the five-year period then ended. These financial statements and financial highlights are the responsibility of the Trust's 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, 2008 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, Commonwealth Japan Fund, Commonwealth Global Fund and Commonwealth Real Estate Securities Fund as of October 31, 2008, the results of their operations for the year then ended, the changes in their net assets for each of the years in the two-year period then ended, and their financial highlights for each of the years or periods in the five-year period then ended in conformity with accounting principles generally accepted in the United States of America.

BRIGGS, BUNTING & DOUGHERTY, LLP

Philadelphia, Pennsylvania  
December 23, 2008



## COMMONWEALTH INTERNATIONAL SERIES TRUST

### Additional Information - October 31, 2008 (Unaudited)

During the fiscal year ended October 31, 2008, the Funds declared long-term realized gain distributions in the following amounts:

	15% Capital Gains
Australia/New Zealand Fund	\$ 2,972,878
Japan Fund	—
Global Fund	1,585,536
Real Estate Securities Fund	870,267

For the fiscal year ended October 31, 2008, the following percentage of the total ordinary income distributions paid by the Funds qualify for the distributions received deduction available to corporate shareholders.

	Distributions Received Deduction
Global Fund	100.00%
Real Estate Securities Fund	60.36%

For the fiscal year ended October 31, 2008, distributions paid by the Funds may be subject to a maximum tax rate of 15%, as provided for by the Jobs and Growth Tax Relief Reconciliation Act of 2003. The Funds intend to designate the maximum amount allowable as taxed at a maximum rate of 15%. Complete information will be reported in conjunction with your 2008 Form 1099-DIV.

	Qualified Dividend Income
Australia/New Zealand Fund	55.38%
Global Fund	100.00%
Real Estate Securities Fund	96.45%

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 are 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.

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>.

## COMMONWEALTH INTERNATIONAL SERIES TRUST

### Additional Information - October 31, 2008 (Unaudited) (Continued)

#### Table of Shareholder Expenses

As a shareholder of the Funds, you incur ongoing costs, including management fees, distribution, and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to 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, 2008 through October 31, 2008.

#### 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 5/1/08	Ending Account Value 10/31/08	Expense Paid During Period* 5/1/08 - 10/31/08	Expense Ratio During Period 5/1/08 - 10/31/08
Australia/New Zealand Fund	\$1,000.00	\$649.70	\$13.15	3.17%
Japan Fund	1,000.00	722.20	16.06	3.71%
Global Fund	1,000.00	651.90	11.63	2.80%
Real Estate Securities Fund	1,000.00	630.50	11.52	2.81%

#### 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 5/1/08	Ending Account Value 10/31/08	Expense Paid During Period* 5/1/08 - 10/31/08	Expense Ratio During Period 5/1/08 - 10/31/08
Australia/New Zealand Fund	\$1,000.00	\$1,009.20	\$16.01	3.17%
Japan Fund	1,000.00	1,006.49	18.71	3.71%
Global Fund	1,000.00	1,011.06	14.15	2.80%
Real Estate Securities Fund	1,000.00	1,011.01	14.20	2.81%

\* Expenses are equal to the average account value times the Fund's annualized expense ratio multiplied by the number of days in the most recent fiscal half-year divided by the number of days in the fiscal year.

## COMMONWEALTH INTERNATIONAL SERIES TRUST

### TRUSTEES AND OFFICERS (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 Investment Company Act of 1940, 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 Fund’s Trustees and is available, without charge and upon request, by calling 1-888-345-1898.

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	Other Directorships Held By Trustee/Officer
<b>INTERESTED TRUSTEES:</b>					
Robert Scharar <sup>(1)</sup> 5847 San Felipe, Suite 850 Houston, TX 77057 Age 60	President, Interested Trustee	Indefinite until successor elected and qualified; since 2000	Investment manager/Attorney/CPA; President, FCA Corp (investment adviser), 1975 to present.	4	See below <sup>(2)</sup>
<b>INDEPENDENT TRUSTEES:</b>					
John Akard, Jr. 5847 San Felipe, Suite 850 Houston, TX 77057 Age 42	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, Mason, Copen & Banks, P.C. (law firm), 1999 to present.	4	Gulf Coast Oil Corporation (oil and gas exploration & production)
Kathleen Kelly 5847 San Felipe, Suite 850 Houston, TX 77057 Age 56	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.	4	None
Jack Ewing 5847 San Felipe, Suite 850 Houston, TX 77057 Age 69	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, University of Phoenix, September 2001 to May 2005.	4	None
<b>OFFICERS:</b>					
Robert W. Silva 3435 Stelzer Road Columbus, OH 43219 Age 42	Treasurer	Since 2008	Senior Vice President, Citi Fund Services Ohio, Inc. (formerly BISYS Fund Services Ohio, Inc.), September, 2007 to present; Assistant Vice President, Citizens Advisers, Inc. May, 2002 to August, 2007.	4	None
John H. Lively 4801 Main Street, Suite 1000 Kansas City, Missouri 64112 Age 39	Secretary	Since 2008	Attorney, Husch Blackwell Sanders LLP (law firm), March 2007 to present; Managing Attorney, Raymond James Financial (financial services), September 2005 to March 2007; Assistant General Counsel, AIM Investments (investment adviser), October 2000 to September 2005.	4	None
Bonnie Scott 5847 San Felipe, Suite 850 Houston, TX 77057 Age 59	Assistant Secretary	Since 2003	Administrator & Private Coordinator, FCA Corp (investment adviser), 1998 to present.	4	None
Stephen E. Fodo 2515 Golden Pond Drive Kingwood, Texas 77345 Age 66	CCO	Since 2004	Chief Financial Officer, Organic Fuels Holdings, Inc., October, 2007 to present; Adjunct Professor, University of Phoenix, July 2003 to present; Advisory Director, Ingenero (engineering and operating services), January, 2002 to present; Managing Director, Morris Anderson and Associates (consulting services), August, 2003 to May, 2005; Independent Consultant, January, 2000 to present; Partner, Tatum CFO Partners (consulting services), March, 2000 to May, 2003.	4	None

(1) Robert Scharar is considered an “interested person” of the Funds’ because of his affiliation with the Funds’ Investment Advisor as the sole shareholder of that Advisor.  
(2) Mr. Scharar is also an officer, director and/or manager of the following companies: Blantyre Hotels Corp., NICO Holdings Corp., Vintech Investors LLC, Africap LLC, FCA Investments Co., First Commonwealth Holdings Corp., First Commonwealth Mortgage Trust, Holly Mortgage Trust, Ivy Realty Trust, Scottsdale Canal Project LLC, Heights of Tampa, LLC, Nashville Properties, Inc., North American Communities Foundation, Inc., subsidiary companies at some of the above, and other closely held FCA advised entities and non FCA related entities.

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