

COMMONWEALTH INTERNATIONAL SERIES TRUST

On Behalf of its Series,

COMMONWEALTH AUSTRALIA/NEW ZEALAND FUND (CNZLX)

AFRICA FUND (CAFRX)

COMMONWEALTH JAPAN FUND (CNJFX)

COMMONWEALTH GLOBAL FUND (CNGLX)

COMMONWEALTH REAL ESTATE SECURITIES FUND (CNREX)



STATEMENT OF ADDITIONAL INFORMATION

February 28, 2020

This Statement of Additional Information (“SAI”) is not a prospectus but contains information in addition to and in more detail than that set forth in the prospectus and should be read in conjunction with the prospectus, dated February 28, 2020. A prospectus may be obtained without charge by phone at (888) 345-1898 or by writing to the Funds directly at Commonwealth International Series Trust, c/o Ultimus Fund Solutions, LLC, P.O. Box 46707, Cincinnati, Ohio 45246-0707, or visiting the Funds’ website at www.commonwealthfunds.com.

The Report of Independent Registered Public Accounting Firm and financial statements of the Commonwealth Australia/New Zealand Fund, Africa Fund, Commonwealth Japan Fund, Commonwealth Global Fund and Commonwealth Real Estate Securities Fund included in their Annual Report for the year ended October 31, 2019 (“Annual Report”) are incorporated herein by reference. Copies of Annual and Semi-Annual Reports are available without charge upon request by writing to the Funds at Commonwealth International Series Trust, c/o Ultimus Fund Solutions, LLC, P.O. Box 46707, Cincinnati, Ohio 45246-0707, or by calling toll free (888) 345-1898.

The financial statements in the Annual Report that are incorporated herein by reference into this SAI have been audited by BBD, LLP, 1835 Market Street, 3rd Floor, Philadelphia, PA 19103, and have been so included and incorporated herein by reference in reliance upon the report of said firm, which report is given upon their authority as experts in auditing and accounting.

TABLE OF CONTENTS

	<u>Page</u>
FUND HISTORY	1
INVESTMENT POLICIES	3
INVESTMENT RESTRICTIONS.....	9
RISK FACTORS	11
PORTFOLIO TURNOVER.....	15
MANAGEMENT OF THE FUNDS.....	15
CODE OF ETHICS.....	22
PROXY VOTING POLICIES	22
INVESTMENT ADVISORY AGREEMENT.....	23
ADMINISTRATIVE SERVICES	244
DISTRIBUTOR AND DISTRIBUTION PLANS.....	255
PORTFOLIO TRANSACTIONS AND BROKERAGE.....	28
POLICY AND PROCEDURES FOR DISSEMINATION OF PORTFOLIO HOLDINGS.....	29
HOW TO BUY AND REDEEM SHARES.....	30
DETERMINATION OF NET ASSET VALUE.....	311
TAXES.....	32
CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES.....	42
OTHER INFORMATION	45
APPENDIX A – PROXY VOTING POLICIES AND PROCEDURES	46
APPENDIX B – GOVERNANCE, NOMINATION AND COMPENSATION COMMITTEE CHARTER.....	50

FUND HISTORY

The Commonwealth International Series Trust (the “Trust”) was organized as a business trust in Massachusetts on May 2, 1986 and commenced business shortly thereafter. The Trust’s Declaration of Trust, as amended and restated on December 29, 1986 (the “Declaration of Trust”), authorizes the Trustees to divide shares (“Shares” or collectively “Shares”) into two or more series, each series relating to a separate portfolio of investments, and to classify and reclassify any unissued Shares into one or more classes of Shares of each such series. Each series of the Trust is an “open-end diversified management investment company” under the Investment Company Act of 1940, as amended (the “1940 Act”). The Trust currently has five series, or funds: the Commonwealth Australia/New Zealand Fund (the “Australia/New Zealand Fund”), the Africa Fund (the “Africa Fund”), the Commonwealth Japan Fund (the “Japan Fund”), the Commonwealth Global Fund (the “Global Fund”) and the Commonwealth Real Estate Securities Fund (the “Real Estate Securities Fund”). The Australia/New Zealand Fund invests primarily in Australian and New Zealand securities, and commenced operations on November 25, 1991 (inception date) as a series of the Trust. The Africa Fund invests primarily in African securities and was established by amendment to the Trust on October 7, 2011 and began operation on November 7, 2011 (inception date). The Japan Fund invests primarily in Japanese securities and was established as a series of the Trust on July 10, 1989 (inception date). The Global Fund, which invests in U.S. and foreign securities in developed countries or in countries considered to have developing or “emerging” markets, was established by amendment to the Trust on December 14, 2001 and began operation on December 3, 2002 (inception date). The Real Estate Securities Fund invests in real estate investment trusts (“REITs”), real estate industries companies, publicly-traded real estate development companies, real estate management companies, and publicly-traded companies involved in real estate related activities and industries (collectively, “Real Estate Industries Companies”). The Real Estate Securities Fund was established by amendment to the Trust on July 2, 2003 and began operations on January 5, 2004 (inception date). The Real Estate Securities Fund, Global Fund, Australia/New Zealand Fund, Africa Fund and Japan Fund may be referred to hereinafter individually as a “Fund” and collectively as “Funds.” The Trust may create additional series in the future, but each series will be treated as a separate mutual fund with its own investment objectives and policies.

The Declaration of Trust provides that no shareholder (“Shareholder” or collectively “Shareholders”) shall be subject to any personal liability whatsoever to any person in connection with Trust property or the acts, obligations or affairs of the Trust.

The Declaration of Trust also provides that the Trustees shall from time to time distribute ratably among the Shareholders of a series such proportion of the net profits, surplus (including paid-in surplus), capital, or assets of such series held by the Trustees as they may deem proper. Such distributions may be made in cash or property (including without limitation any type of obligations of such series or any assets thereof), and the Trustees may distribute ratably among the Shareholders additional Shares of such series issuable hereunder in such manner, at such times, and on such terms as the Trustees may deem proper. Such distributions may be among the Shareholders of record at the time of declaring a distribution or among the Shareholders of record at such other date or time or dates or times as the Trustees shall determine. The Trustees may in their discretion determine that, solely for the purposes of such distributions, outstanding Shares shall exclude Shares for which orders have been placed subsequent to a specified time on the date the distribution is declared or on the next preceding day if the distribution is declared as of a day on which the Transfer Agent for the Trust or applicable series is not open for business. The Trustees may always retain from the net profits such amount as they may deem necessary to pay the debts or expenses of the series or to meet obligations of the series, or as they may deem desirable to use in the conduct of its affairs or to retain for future requirements or extensions of the business. The Trustees may adopt an offer to Shareholders such dividend reinvestment plans, cash dividend payout plans or related plans as the Trustees shall deem appropriate.

Shareholders of each series of the Trust will vote separately as a class except to the extent required by the Investment Company Act of 1940, as amended (the “1940 Act”). Rule 18f-2 under the 1940 Act provides that any matter required to be submitted to the holders of the outstanding voting securities of an investment company, such as the Trust, shall not be deemed to have been effectively acted upon unless approved by the holders of a majority of the outstanding Shares of each series or class affected by the matter. A series or class is affected by a matter unless it is clear that the interests of each series or class in the matter are substantially identical or that the matter does not affect any interest of the series or class. Under Rule 18f-2, the approval of an investment advisory agreement or any change in a fundamental investment policy would be effectively acted upon with respect to a series only if approved by a majority of the outstanding Shares of such series. However, the Rule also provides that the ratification of the appointment of independent accountants, the approval of principal underwriting contracts, and the election of Trustees may be effectively acted upon by Shareholders of the Trust voting together, without regard to a particular series or class.

The Declaration of Trust also provides that the Shareholders shall have power to vote only (i) for the election of Trustees; (ii) with respect to any investment advisory or investment management contract entered into; (iii) with respect to termination of the Trust or any series thereof; (iv) with respect to any amendment of this Declaration; (v) with respect to any merger, consolidation or sale of assets; (vi) with respect to incorporation of the Trust; (vii) to the same extent as the stockholders of a Massachusetts business corporation

as to whether or not a court action, proceeding or claim should or should not be brought or maintained derivatively or as a class action on behalf of the Trust or a series thereof or the Shareholders of either; (viii) with respect to any plan adopted pursuant to Rule 12b-1 (or any successor rule) under the 1940 Act and related matters; and (ix) with respect to such additional matters relating to the Trust as may be required by the Amended and Restated Declaration of Trust, the By-laws or any registration of the Trust as an investment company under the 1940 Act with the Commission (or any successor agency) or as the Trustees may consider necessary or desirable.

The Declaration of Trust also provides that at any meeting of Shareholders, any holder of Shares entitled to vote there at may vote by proxy, provided that no proxy shall be voted at any meeting unless it shall have been placed on file with the Secretary, or with such other officer or agent of the Trust as the Secretary may direct, for verification prior to the time at which such vote shall be taken. Proxies may be solicited in the name of one or more Trustees or one or more of the officers of the Trust. Only Shareholders of record shall be entitled to vote. Each whole Share shall be entitled to one vote as to any matter on which it is entitled to vote and each fractional Share shall be entitled to a proportionate fractional vote, except that the Trustees may, in conjunction with the establishment of any series of Shares, establish conditions under which the several series shall have separate voting rights or no voting rights. There shall be no cumulative voting in the election of Trustees.

When used in the prospectus or this SAI, a “majority” of Shareholders or “majority” of Shares means the vote of the lesser of (1) 67% of the Shares of the Trust or the applicable series or class present at a meeting if the holders of more than 50% of the outstanding Shares are present in person or by proxy, or (2) more than 50% of the outstanding Shares of the Trust or the applicable series or class.

The Declaration of Trust also provides that in the event of a liquidation or dissolution of the Trust or an individual series, Shareholders of a particular series would be entitled to receive a pro rata share of the net assets available for distribution belonging to such series. Shareholders of a series are entitled to participate equally in the net distributable assets of the particular series involved on liquidation, based on the number of Shares of the series that are held by each Shareholder. If there are any assets, income, earnings, proceeds, funds or payments that are not readily identifiable as belonging to any particular series, the Trustees shall allocate them among any one or more of the series as they, in their sole discretion, deem fair and equitable.

When issued for payment as described in the prospectus and this SAI, Shares of the Fund will be fully paid and non-assessable.

The Declaration of Trust provides that the Trustees, officers, employees, or agents of the Trust will not be subject to personal liability whatsoever to any person, other than the Trust or its Shareholders, in connection with the affairs of the Trust, or Trust property, except as such liability may arise from his or her own bad faith, willful misfeasance, gross negligence, or reckless disregard of duties. It also provides that all third parties shall look solely to the Trust property, or to the property of one or more specific series of the Trust for satisfaction of claims arising in connection with the affairs of the Trust. With the exceptions stated, the Amended and Restated Declaration of Trust provides that a Trustee or officer is entitled to be indemnified against all liability in connection with the affairs of the Trust.

The Declaration of Trust provides that the Shares shall not entitle the holder to preference, preemptive, appraisal, conversion or exchange rights, except as the Trustees may determine with respect to any series of Shares.

The Declaration of Trust also provides that the Trust may at any time without prior notice to the Shareholder redeem Shares of any Shareholder for their then current net asset value per Share if at such time the Shareholder owns Shares of any series having an aggregate net asset value of less than \$1,000 subject to such terms and conditions as the Trustees may approve, and subject to the Trust’s giving general notice to all Shareholders of its intention to avail itself of such right, either by publication in the Trust’s prospectus or by any other means as the Trustees may determine.

The Declaration of Trust also provides that if the Trustees shall, at any time and in good faith, be of the opinion that direct or indirect ownership of Shares or other securities of the Trust has or may become concentrated in any Person to an extent which would disqualify any series of the Trust as a regulated investment company under the Internal Revenue Code of 1986, as amended, then the Trustees shall have the power by lot or other means deemed equitable by them (i) to call for redemption by any such Person of a number, or principal amount, of Shares or other securities of the Trust sufficient to maintain or bring the direct or indirect ownership of Shares or other securities of the Trust into conformity with the requirements for such qualification and (ii) to refuse to transfer or issue Shares or other securities of the Trust to any Person whose acquisition of the Shares or other securities of the Trust in question would result in such disqualification. Further information regarding redemption and redemption fees may be found under “How to Buy and Redeem Shares” and “Determination of Net Asset Value.”

INVESTMENT POLICIES

Set forth below are detailed descriptions of the various types of securities and investment techniques that FCA Corp (the “Adviser”) may use in managing the Funds. The descriptions of the types of securities and investment techniques below supplement the discussion of principal investment strategies contained in the Funds’ prospectus; where a particular type of security or investment technique is not discussed in the Funds’ prospectus, that security or investment technique is not a principal investment strategy.

Not all of the Funds invest in all types of securities or use all of the investment techniques described below, and a Fund may not invest in all of these types of securities or use all of the techniques at any one time. A Fund’s transactions in a particular type of security or use of a particular technique is subject to limitations imposed by a Fund’s investment objective, policies, and restrictions described in the Funds’ prospectus and/or this SAI, as well as the federal securities laws. FCA Corp may invest in other types of securities and may use other investment techniques not specifically mentioned as investing in the security or using the investment technique, as well as securities and techniques not described, subject to limitations imposed by a Fund’s investment objective, policies, and restrictions described in the Funds’ prospectus and/or this SAI, as well as the federal securities laws.

Securities in General. Securities of issuers in which each Fund may invest include common and preferred stock, debt convertible into equity and debt securities. Investments in debt securities may include obligations of governmental issuers, as well as obligations of companies without regard to credit quality. Debt securities acquired by the Funds may include, without limitation, conventional fixed and variable rate bonds and debentures, zero-coupon and original issue discount bonds and warrants to purchase debt instruments. The Fund may invest in commercial paper without regard to credit quality. Convertible debt securities are treated as equity securities and therefore may not be rated by a nationally recognized statistical rating organization.

The Global Fund invests in companies that are expected to benefit from global economic trends, promising technologies or products and specific country opportunities resulting from changing geopolitical, currency, or economic considerations. It is expected that investments will be spread broadly around the world to take advantage of perceived investment opportunities without restriction to any particular area such as Asia, Europe or any particular country such as the United States or Japan. The Fund will generally invest in equity securities of established companies listed on U.S. or foreign securities exchanges, but also may invest in securities traded over-the-counter. It also may invest in debt securities convertible into common stock, and convertible and non-convertible preferred stock, and fixed-income securities of governments, governmental agencies, supranational agencies and companies.

The Real Estate Securities Fund’s investment objective is long-term capital appreciation and current income primarily through investments in real estate securities. As described in the prospectus, the Fund will attempt to achieve its objective by investing primarily in equity securities of REITs and other Real Estate Industries Companies that are publicly traded. Equity securities of Real Estate Industries Companies consist of common stock, shares of beneficial interest of REITs and securities with characteristics of common stock, such as preferred stock and debt securities including those convertible into common stock. The Fund’s investments normally will be allocated among a number of companies representing diverse investment policies and real property holdings. Certain securities will be selected for high current return, while others will be chosen for long-term capital appreciation potential. Real Estate Industries Companies generally derive at least 50% of their revenue from real estate related activities or have at least 50% of their assets in real estate.

With respect to bank obligations that may be acquired by a Fund, the assets of a bank or savings institution will be deemed to include the assets of its domestic and foreign branches. Thus, in addition to investments in obligations of U.S. banks and savings institutions and their U.S. and foreign branches, a Fund’s investments in short-term bank obligations may include obligations of non-U.S. banks and their branches, wherever situated.

Each Fund may also make overnight deposits denominated in foreign currency in offshore banking units (“OBUs”), in accordance with the Fund’s credit quality criteria. An OBU is a bank or other financial institution in a foreign country that is authorized to deal in foreign exchange that the foreign government declares to be an OBU. OBUs are restricted to (i) receiving deposits denominated in the currency of a foreign country from non-residents of such country or deposits in currencies other than the currency of a foreign country from residents of such country and (ii) lending to non-residents outside the originating country and to other OBUs. A deposit in an OBU is similar to a time deposit in a foreign bank except that interest payable to non-residents on an OBU deposit is exempt from withholding tax.

Investment Company Securities / Exchange-Traded Funds (ETFs). Each Fund may make limited investments in securities of other investment companies, including ETFs. (See “Investment Restrictions” below.) Investments in other investment companies

involve additional expenses because Fund Shareholders will indirectly bear a portion of the expenses of such companies, including operating and administrative costs and advisory fees. These expenses may be in addition to similar expenses of the Fund that Shareholders bear directly.

Investments in ETFs involve certain inherent risks generally associated with investments in a broadly-based portfolio of stocks, including risks that: (1) the general level of stock prices may decline, thereby adversely affecting the value of each unit of the ETF or other instrument; (2) an ETF may not fully replicate the performance of its benchmark index because of the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weightings of securities or number of stocks held; (3) an ETF may also be adversely affected by the performance of the specific index, market sector or group of industries on which it is based; and (4) an ETF may not track an index as well as a traditional index mutual fund because ETFs are valued by the market and, therefore, there may be a difference between the market value and the ETF's net asset value. Additionally, investments in fixed income ETFs involve certain inherent risks generally associated with investments in fixed income securities, including the risk of fluctuation in market value based on interest rates rising or declining and risks of a decrease in liquidity, such that no assurances can be made that an active trading market for underlying ETFs will be maintained.

To the extent a Fund invests in inverse ETFs, including double inverse (or ultra-short) ETFs it will be subject to certain risks. Inverse ETFs seek to negatively correlate to the performance of the particular index that they track by using various forms of derivative transactions, including by short-selling the underlying index. Ultra-short ETFs seek to multiply the negative return of the tracked index (e.g., twice the inverse return). As a result, an investment in an inverse ETF will decrease in value when the value of the underlying index rises. By investing in ultra-short ETFs and gaining magnified short exposure to a particular index, a Fund can commit less assets to the investment in the securities represented on the index than would otherwise be required. ETFs that seek to multiply the negative return on the tracked index are subject to a special form of correlation risk which is the risk that for periods greater than one day, the use of leverage tends to cause the performance of the ETF to be either greater than or less than the index performance times the stated multiple in the ETF's investment objective.

Convertible Securities. The Funds may invest in convertible securities including bonds, notes, debentures, preferred stocks and other securities that are convertible into common stock. Investments in convertible securities can provide an opportunity for capital appreciation and/or income through interest and dividend payments by virtue of their conversion or exchange features.

The convertible securities may be converted or exchanged at a stated or determinable exchange ratio into underlying shares of common stock. The exchange ratio for any particular convertible security may be adjusted from time to time due to stock splits, dividends, spin-offs, other corporate distributions or scheduled changes in the exchange ratio. The market value of convertible securities tends to decline as interest rates increase and, conversely, tends to increase as interest rates decline. In addition, because of the conversion or exchange feature, the market values of convertible securities typically follow movements in the general market for equity securities. A unique feature of convertible securities is that as the market price of the underlying common stock declines, convertible securities tend to trade increasingly on a yield basis, and so may not experience market value declines to the same extent as the underlying common stock. When the market price of the underlying common stock increases, the prices of the convertible securities tend to rise as a reflection of the value of the underlying common stock, although typically not as much as the underlying common stock.

Convertible securities are investments which provide for a stream of income (or in the case of zero coupon securities, accretion of income) with generally higher yields than common stocks. Of course, like all fixed income securities, there can be no assurance of income or principal payments because the issuers of the convertible securities may default on their obligations. Convertible securities generally offer lower yields than non-convertible securities of similar quality because of their conversion or exchange features.

Convertible securities generally are subordinated to other similar but non-convertible securities of the same issuer, although convertible bonds, as corporate debt obligations, enjoy seniority in right of payment to all equity securities, and convertible preferred stock is senior to common stock of the same issuer. However, because of the subordination feature, convertible bonds and convertible preferred stock typically have lower credit ratings than similar non-convertible debt securities. Convertible securities may be issued as fixed income obligations that pay current income or as zero coupon notes and bonds, including Liquid Yield Option Notes ("LYONs").

Loans of Portfolio Securities. To increase income on its investments, a Fund may lend its portfolio securities to broker-dealers and other institutional investors pursuant to agreements requiring that the loans be continuously secured by collateral equal at all times in value to at least the market value of the securities loaned. Collateral for such loans may include cash, securities of the U.S. Government or its agencies or instrumentalities or an irrevocable letter of credit issued by a bank that is deemed creditworthy by the Adviser. In no event will such loans be made if, as a result, the aggregate value of securities loaned by any Fund exceeds one-third of the value of such Fund's total assets. There may be risks of delay in receiving additional collateral or in recovering the securities loaned or even a loss of

rights in the collateral should the borrower of the securities fail financially. However, loans will be made only to borrowers deemed by the Adviser to be creditworthy and when, in the Adviser's judgment, the income to be earned from the loan justifies the attendant risks. Any cash received as collateral for loaned securities will be invested, in accordance with a Fund's investment guidelines, in short-term money market instruments. If a Fund is not able to recover the securities loaned, the Fund may sell the collateral and purchase a replacement security in the market. For purposes of determining whether a Fund is complying with investment policies, strategies and restrictions, the Fund will consider the loaned securities as assets of the Fund, but will not consider any collateral as a Fund asset. The Fund will bear any loss on the investment of cash collateral. Although voting rights of the loaned securities may pass to the borrower, if a material event affecting the investment in the loaned securities is to occur, a Fund must terminate the loan and vote the securities. Alternatively, a Fund may enter into an arrangement that ensures that it can vote the proxy even while the borrower continues to hold the securities.

Zero Coupon Bonds. Although zero coupon securities pay no interest to holders prior to maturity, interest on these securities is reported as income to a Fund and distributed to its stockholders. These distributions must be made from the Fund's cash assets or, if necessary, from the proceeds of sales of portfolio securities. The Fund will not be able to purchase additional income producing securities with cash used to make such distributions and their current cash income may be reduced.

U.S. Government Obligations. Obligations issued or guaranteed by the U.S. Government, its agencies and instrumentalities includes bills, notes and bonds issued by the U.S. Treasury, as well as "stripped" or "zero coupon" U.S. Treasury obligations representing future interest or principal payments on U.S. Treasury Notes or bonds. Stripped securities are sold at a discount to their "face value" and may exhibit greater price volatility than interest bearing securities since investors receive no payment until maturity. Obligations of certain agencies and instrumentalities of the U.S. Government, such as the Government National Mortgage Association (GNMA), are supported by the full faith and credit of the U.S. Treasury, others such as those of the Federal National Mortgage Association (FNMA), are supported by the right of the issuer to borrow from the U.S. Treasury; still others, though issued by an instrumentality chartered by the U.S. Government, like the Federal Farm Credit Bureau (FFCB) are supported only by the credit of the instrumentality. The U.S. Government may choose not to provide financial support to U.S. Government sponsored agencies or instrumentalities if it is not legally obligated to do so, in which case, if the issuer were to default, the Funds holding securities of such issuer might not be able to recover their investment from the U.S. Government.

When-Issued Purchases and Forward Commitments. When a Fund agrees to purchase securities on a when-issued or forward commitment basis, the Fund's custodian, Fifth Third Bank, N.A. (the "Custodian"), will set aside cash or liquid portfolio securities equal to the amount of the commitment in a separate account. Normally, the Custodian will set aside portfolio securities to satisfy a purchase commitment, and in such a case the Fund may be required subsequently to place additional assets in the separate account in order to ensure that the value of the account remains equal to the amount of the Fund's commitments. It may be expected that the market value of a Fund's net assets will fluctuate to a greater degree when it sets aside portfolio securities to cover such purchase commitments than when it sets aside cash. Although these purchases are not a principal investment strategy of the Fund, during these situations a Fund's liquidity and ability to manage its portfolio might be affected when it sets aside cash or portfolio securities to cover such purchase commitments. Each Fund expects that its commitments to purchase when-issued securities and forward commitments will not exceed 25% of the value of its total assets at the time of such commitment, absent unusual market conditions.

A Fund may purchase securities on a when-issued or forward commitment basis only with the intention of completing the transaction and actually purchasing the securities. If deemed advisable as a matter of investment strategy, however, a Fund may, if circumstances change, dispose of or renegotiate a commitment after it is entered into, and may sell securities it has committed to purchase before those securities are delivered to the Fund on the settlement date. In these cases the Fund may realize a taxable capital gain or loss. See the "Taxes" section below for a discussion of tax consequences.

When a Fund engages in when-issued and forward commitment transactions, it relies on the other party to consummate the trade. Failure of such party to do so may result in the Fund incurring a loss or missing an opportunity to obtain a price considered to be advantageous.

The market value of the securities underlying a when-issued purchase or a forward commitment to purchase securities, and any subsequent fluctuations in their market value, is taken into account when determining the market value of a Fund starting on the day the Fund agrees to purchase the securities. The Fund does not earn interest on the securities it has committed to purchase until they are paid for and delivered on the settlement date.

Hedging Transactions. Each Fund is authorized to engage in certain types of hedging practices. These practices include entering into foreign currency transactions, interest-rate and index futures contracts and purchasing and writing put and call options on those

contracts, on individual securities and on stock indexes. In addition, each Fund's options transactions will be subject to trading and position limits of various exchanges. Tax considerations also may limit each Fund's ability to engage in forward contracts, futures and options.

If a Fund engages in hedging transactions, there can be no assurance that these transactions will be successful. Securities prices and interest rates may change in unanticipated manners or may move in ways which do not correlate closely to movements in the value of securities held by the Fund. Additionally, there can be no assurance that offsetting transactions will be available at any given time to enable the Fund to close out particular futures or options contracts. If these contracts cannot be closed out, the Fund may incur losses in excess of its initial margin deposit. The bankruptcy of a broker or other person with whom the Fund has an open futures or options position may also expose the Fund to risk of losing its margin deposits or collateral.

Foreign Currency Transactions. In order to protect against a possible loss on investments resulting from a decline in a foreign currency against the U.S. dollar, each Fund is authorized to enter into forward foreign currency exchange contracts. These contracts involve an obligation to purchase or sell a specified currency at a future date at a price set at the time of the contract. Forward foreign currency exchange contracts do not eliminate fluctuations in the values of portfolio securities but rather allow the Fund to establish a rate of exchange for a future point in time. A Fund may enter into forward foreign currency exchange contracts when deemed advisable by its Adviser under two circumstances:

First, when entering into a contract for the purchase or sale of a security, a Fund may enter into a forward foreign currency exchange contract for the amount of the purchase or sale price to protect against variations between the date the security is purchased or sold and the date on which payment is made or received, in the value of the foreign currency relative to the U.S. dollar.

Second, a Fund may enter into such a contract when the Adviser anticipates that the foreign currency may decline substantially relative to the U.S. dollar, in order to sell, for a fixed amount, the amount of foreign currency approximating the value of some or all of the Fund's securities denominated in such foreign currency. The Funds do not intend to enter into forward foreign currency exchange contracts under this second circumstance on a regular or continuing basis and will not do so if, as a result, a Fund will have more than 15% of the value of its total assets committed to such contracts at the time it enters into the contract.

With respect to any forward foreign currency exchange contract, it will not generally be possible to match precisely the amount covered by that contract and the value of the securities involved due to the changes in the values of such securities resulting from market movements between the date the forward contract is entered into and the date it matures. In addition, while forward contracts may offer protection from losses resulting from declines in the value of the foreign currency, they also limit potential gains that might result from increases in the value of the foreign currency. The Funds will also incur costs in connection with forward foreign currency exchange contracts and conversions of foreign currency and U.S. dollars.

A separate account of each Fund consisting of cash or liquid securities equal to the amount of the Fund's assets that could be required to consummate any forward contracts entered into under the second circumstance, as set forth above, will be established with the Custodian. For the purpose of determining the adequacy of the securities in the account, the deposited securities will be valued at market or fair value. If the market or fair value of such securities declines, additional cash or securities will be placed in the account daily so that the value of the account will equal the amount of such commitments by the Fund.

Futures Transactions. Interest-rate futures contracts create an obligation to purchase or sell specified amounts of debt securities on a specified future date. Although these contracts generally call for making or taking delivery of the underlying securities, the contracts are in most cases closed out before the maturity date by entering into an offsetting transaction which may result in a profit or loss. Securities index futures contracts are contracts to buy or sell units of a particular index of securities at a specified future date for an amount equal to the difference between the original contract purchase price and the price at the time the contract is closed out, which may be at maturity or through an earlier offsetting transaction.

Each purchase or sale of a futures contract involves no sale price or premium, unlike the purchase of a security or option. Instead, an amount of cash or securities acceptable to the broker and the relevant contract market, generally about 5% of the contract amount, must be deposited with the broker as "initial margin." This "initial margin" represents a "good faith" deposit assuring the performance of both the purchaser and the seller under the futures contract. Subsequent "variation margin" payments must be made daily to and by the broker to reflect variations in the price of the futures contract. When the contract is settled or closed out by an offsetting transaction, a final determination is made of variation margin due to or from the broker. A nominal commission is also paid on each completed sale transaction.

These hedging transactions, if any, would involve brokerage costs and require a Fund to make margin deposits against its performance obligations under the contracts. The Fund may also be required to segregate assets in an amount equal to the value of instruments underlying its futures contracts, call options purchased and put options written; to otherwise “cover” its futures and options positions; or to limit these transactions so that they are backed to a level of 300 percent by total Fund assets.

The aggregate of initial margin deposits for futures contracts and related options and premiums paid for open futures options may not exceed five percent (5%) of the fair market value of each Fund’s assets at the time of deposit.

Options Transactions. A Fund may purchase or write put or call options on futures contracts, individual securities, currencies or stock indices to hedge against fluctuations in securities prices and currency exchange rates and to adjust its risk exposure relative to the benchmark. See “Investment Objective and Policies” in the prospectus.

The purchase or writing of put or call options would give the Fund, respectively, the right or obligation to sell or purchase the underlying futures contract or security at the stated exercise price any time before the option expires. The purchase or writing of put and call options on stock indices would give the Fund, respectively, the right or obligation to receive or pay a specified amount at any time prior to expiration of the option. The value of the option varies with aggregate price movements of the stocks reflected in the index. The Fund’s risk in purchasing an option, if the price of the underlying security or index moves adverse to the purchaser, is limited to the premium it pays for the option. If price movements are favorable, on the other hand, the option will increase in value and the Fund would benefit from sale or exercise of the option. As the writer of an option, the Fund would receive a premium. The premium would be a gain to the Fund if price movements in the underlying items are favorable to the writer and would reduce the loss if price movements are unfavorable. Any call options written by a Fund will be “covered”, i.e., backed by securities owned by the Fund. The writing of a covered call option tends to limit the Fund’s opportunity to profit from an increase in value of the underlying securities to the amount of the premium.

Each Fund may purchase options on exchanges and in over-the-counter markets to the extent the net value of such options owned by the Fund does not exceed five percent (5%) of that Fund’s net assets at the time of purchase. The Fund may write put options and covered call options on exchanges and in the over-the-counter markets. A call option gives the purchaser the right, until the option expires, to purchase the underlying futures contract, security or currency at the exercise price or, in the case of a stock index option, to receive a specified amount. A put option gives the purchaser the right, until the option expires, to sell the underlying futures contract, security or currency at the exercise price or, in the case of a stock index option, to pay a specified amount.

When a Fund writes an option, it receives a premium that it retains whether or not the option is exercised. By writing a call option, the Fund becomes obligated, either for a certain period of time or on a certain date, to sell the underlying futures contract, security or currency to the purchaser at the exercise price (or to pay a specified price with respect to an index option) if the option is exercised. At the time or during the period when the option may be exercised, the Fund risks losing any gain in the value of the underlying futures contract, security or currency or stock index over the exercise price. By writing a put option, the Fund becomes obligated either for a certain period of time or on a certain date, to purchase the underlying futures contract, security or currency at the exercise price, or to pay the specified price in connection with an index option, if the option is exercised. The Fund might, therefore, be obligated to purchase or make a payment for more than the current market price of the particular futures contract, security, currency or index option.

Each Fund writes only “covered” options on securities and currencies unless the Adviser determines that any uncovered options pose minimal risks to the Funds and their Shareholders. This means that so long as a Fund is obligated as the writer of a call option on a security or currency, it will own an equivalent amount of the underlying security, currency or liquid securities denominated, quoted in or currently convertible into such currency. The Fund will be considered “covered” with respect to a put option it writes if, so long as it is obligated as the writer of a put option, it deposits and maintains with the Custodian in a segregated account an amount of the underlying securities, currency or liquid securities denominated, quoted in, or currently convertible into such currency having a value equal to or greater than the exercise price of the option. There is no limitation on the amount of call options the Fund may write.

The writer of an option that wishes to terminate an obligation may in some cases be able to effect a “closing purchase transaction.” This is accomplished by buying an option of the same series as the option previously written. The effect of the purchase is that the writer’s position will be cancelled by the clearing corporation. However, a writer may not affect a closing purchase transaction after being notified of the exercise of an option. Likewise, an investor who is the holder of an option may liquidate a position by effecting a “closing sale transaction.” This is accomplished by selling an option of the same series as the option previously purchased. There is no guarantee that either a closing purchase or a closing sale transaction can be affected.

A Fund will realize a profit from a closing transaction if the price of the transaction is less than the premium received from writing the option or is more than the premium paid to purchase the option; a Fund will realize a loss from a closing transaction if the price of the transaction is less than the premium paid to purchase the option. Because increases in the market price of a call option will generally reflect increases in the value of the underlying security, futures contract, index option or currency, any loss in closing out a covered call option is likely to be offset in whole or in part by appreciation of the underlying collateral owned by the Fund.

Illiquid Securities. The Funds typically do not purchase illiquid securities. However, certain securities purchased by a Fund may become illiquid. An illiquid investment is any investment that the Fund reasonably expects cannot be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment. To the extent that a Fund holds illiquid securities or other investments, it will not purchase such an investment if, as a result, illiquid securities and other illiquid investments would constitute more than 15% of the Fund's net assets. Illiquid securities and investments generally include (i) private placements and other securities that are subject to legal or contractual restrictions on resale or for which there is no readily available market (e.g., when trading in the security is suspended, or, in the case of unlisted securities, when market makers do not exist or will not entertain bids or offers), (ii) over-the-counter derivatives and assets used to cover over-the-counter derivatives, and (iii) repurchase agreements that mature in more than seven days.

Because of the absence of a trading market, a Fund may not be able to sell illiquid securities and other illiquid investments at the times it desires to do so or at prices which are favorable. The sale price of illiquid investments may be lower or higher than the value of those investments as determined by the Fund. Generally, there is less public information available about issuers of securities that are not publicly traded than issuers of publicly traded securities. Under the supervision of the Trust's Board of Trustees (each a "Trustee" and collectively, the "Trustees"), the Trust maintains a liquidity risk management program that is designed to determine the liquidity of the Fund's investments and, through that program, allow the Trustees to monitor investments in illiquid instruments.

CFTC Exemption. The Funds are being operated by an investment adviser that has claimed an exemption from registration with the Commodities Futures Trading Commission as a commodity pool operator under the Commodity Exchange Act, and therefore the investment adviser is not subject to registration or regulation as a commodity pool operator under the Act. This claim of exemption from registration as a commodity pool operator is pursuant to Rule 4.5 promulgated under the Commodity Exchange Act. Specifically, in accordance with the requirements of Rule 4.5(b)(1), the Funds will limit their use of commodity futures contracts and commodity options contracts to no more than (i) five percent (5%) of the Fund's liquidation value being committed as aggregate initial premium or margin for such contracts or (ii) one hundred percent (100%) of the Fund's liquidation value in aggregate net notional value of commodity futures, commodity options and swaps positions.

Repurchase Agreements. A Fund may agree to purchase debt securities from financial institutions subject to the seller's agreement to purchase them at an agreed upon time and price (repurchase agreements). The financial institutions with whom the Fund may enter into repurchase agreements will be banks, and non-bank dealers of U.S. Government securities that are listed on the U.S. Federal Reserve Bank of New York's list of reporting dealers, if such banks and non-bank dealers are deemed creditworthy by the Adviser. In a repurchase agreement, a Fund buys a security from a seller that has agreed to repurchase the same security at a mutually agreed upon date and price. The Fund's resale price will be in excess of the purchase price, reflecting an agreed upon interest rate. This interest rate is effective for the period of time the Fund is invested in the agreement and is not related to the coupon rate on the underlying security. Repurchase agreements may also be viewed as a fully collateralized loan of money by the Fund to the seller. The period of these repurchase agreements will usually be short, from overnight to one week, and at no time will the Fund invest in repurchase agreements with a duration of more than one year.

A Fund will always receive, as collateral, securities whose market value including accrued interest is, and during the entire term of the agreement remains, equal to at least 100% of the dollar amount invested by the Fund in each agreement, and the Fund will make payment for such securities only upon physical delivery or upon evidence of book entry transfer to the account of the Custodian. If the seller defaults, the Fund might incur a loss if the value of the collateral securing the repurchase agreement declines and might incur disposition costs in connection with liquidating the collateral. In addition, if bankruptcy proceedings are commenced with respect to the seller of a security which is the subject of a repurchase agreement, realization upon the collateral by the Fund may be delayed or limited. The Adviser seeks to minimize the risk of loss through repurchase agreements by analyzing the creditworthiness of the obligors under repurchase agreements, in accordance with the credit guidelines of the Trust's Board of Trustees.

Depository Receipts. The Funds may invest in sponsored and unsponsored depository receipts ("DRs") (e.g., American Depository Receipts, European Depository Receipts and Global Depository Receipts), which, in the case of American Depository Receipts, are receipts issued by a U.S. bank or trust company evidencing ownership of an interest in underlying securities issued by a foreign issuer. Global Depository Receipts represent interests in securities of foreign companies traded in capital markets around the

world other than the U.S. European Depositary Receipts are receipts issued by a European financial institution evidencing arrangements similar to ADRs but, in bearer form, are designed for use in European securities markets. A sponsored DR is issued by a depository that generally has an exclusive relationship with the foreign issuer of the underlying security. An unsponsored DR may be issued by any number of U.S. depositories and is generally created without the participation or consent of the foreign issuer. DRs, in registered form, are designed for trading on U.S. securities exchanges or other markets. Holders of unsponsored DRs generally bear all the costs of the DR facility, whereas foreign issuers typically bear certain costs associated with maintaining a sponsored DR facility. Under the terms of most sponsored arrangements, depositories agree to distribute notices of shareholder meetings and voting instructions, and to provide shareholder communications and other information to the DR holders at the request of the issuer of the deposited securities. A depository of an unsponsored DR, on the other hand, may not receive information from the foreign issuer, and is under no obligation to distribute shareholder communications, or other information received from the issuer of the deposited securities or to pass through voting rights to DR holders in respect of the deposited securities.

Yields and Ratings. The yields on certain obligations are dependent on a variety of factors, including general market conditions, conditions in the particular market for the obligation, the financial condition of the issuer, the size of the offering, the maturity of the obligation and the ratings of the issue.

Obligations in which the Funds may invest may not necessarily be rated by a nationally recognized statistical rating organization.

Borrowing. The Funds may borrow for investment purposes and for other purposes permitted by the 1940 Act. Under the 1940 Act, the Funds are required to maintain continuous asset coverage of 300% with respect to permitted borrowings and to sell (within three days) sufficient portfolio holdings to restore such coverage if it should decline to less than 300% due to market fluctuations or otherwise, even if such liquidation of the Funds' holdings may be disadvantageous from an investment standpoint.

Temporary Defensive Positions. For temporary defensive purposes under unusual market conditions, the Funds may invest in interest-bearing savings deposits of commercial or savings bank without limit, which can cause the Funds to fail to meet their investment objectives during such periods and lose benefits when markets begin to improve.

INVESTMENT RESTRICTIONS

"Fundamental" Investment Restrictions. Each Fund has adopted the following "fundamental" restrictions which, along with its investment objective, cannot be changed without approval by the holders of a majority of the Shares of beneficial interest in the applicable Fund ("Fund Shares"). A majority is defined by the 1940 Act as the lesser of (i) 67% or more of the Fund Shares present in person or by proxy at a meeting, if the holders of more than 50% of the outstanding voting securities are present or represented by proxy, or (ii) more than 50% of the outstanding voting securities.

1. Each Fund may not issue senior securities or borrow money except, as permitted under the 1940 Act and as interpreted or modified from time to time.

Currently, subject to modification to conform to the 1940 Act as interpreted or modified from time to time, each Fund is permitted, consistent with the 1940 Act, to borrow, and pledge its Shares to secure such borrowing, provided, that immediately thereafter there is asset coverage of at least 300% for all borrowings by the Fund from a bank. If borrowings exceed this 300% asset coverage requirement by reason of a decline in net assets of the Fund, the Fund will reduce its borrowings within three days (not including Sundays and holidays) to the extent necessary to comply with the 300% asset coverage requirement. The 1940 Act also 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. To the extent outstanding borrowings of a Fund exceed 5% of the value of the total assets of such Fund, the Fund will not make additional purchases of securities – the foregoing shall not be construed to prevent the Fund from settling portfolio transactions or satisfying shareholder redemption orders. The Securities and Exchange Commission (the "SEC") has indicated, however, that certain types of transactions, which could be deemed "borrowings" (such as firm commitment agreements and reverse repurchase agreements), are permissible if a Fund "covers" the agreements by establishing and maintaining segregated accounts.

Currently, with respect to senior securities, the 1940 Act and regulatory interpretations of relevant provisions of the 1940 Act establish the following general limits, subject to modification to conform to the 1940 Act as interpreted or modified from time to time: Open-end registered investment companies such as the Funds are not permitted to issue any class of senior security or to sell any senior security of which they are the issuers. The Trust is, however, permitted to issue separate series of Shares (each Fund is a series of the Trust) and to divide those series into separate classes. Individual class and institutional class are separate classes. The Funds have no

intention of issuing senior securities, except that the Trust has issued its Shares in separate series and may divide those series into classes of Shares. Collateral arrangements with respect to forward contracts, futures contracts or options, including deposits of initial and variation margin, are not considered to be the issuance of a senior security for purposes of this restriction.

2. Each Fund may not make any investment that is inconsistent with its classification as a “diversified” investment company under the 1940 Act as interpreted or modified from time to time.

Currently, to remain classified as a “diversified” investment company under the 1940 Act, each Fund must conform with the following, subject to modification to conform to the 1940 Act as interpreted or modified from time to time: With respect to 75% of its total assets, a Fund may not invest more than 5% of the Fund’s total assets, determined at market or other fair value at the time of purchase, in the securities of any one issuer, or invest in more than 10% of the outstanding voting securities of any one issuer, determined at the time of purchase. These limitations do not apply to (1) a Fund’s assets represented by cash or cash equivalents, (2) investments in securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, and (3) shares of other investment companies.

3. Each Fund may not concentrate, other than the Real Estate Securities Fund, its investments in a particular industry, as that term is used in the 1940 Act, as interpreted or modified from time to time. The Real Estate Securities Fund will concentrate its investments in real estate companies, publicly-traded real estate development companies, real estate management companies, and publicly-traded companies involved in real estate related activities and industries (collectively, “Real Estate Industries Companies”).

Currently, each Fund (other than the Real Estate Fund) may not invest, subject to modification to conform to the 1940 Act as interpreted or modified from time to time, 25% or more of its total assets, taken at market value at the time of purchase, in the securities of issuers primarily engaged in any particular industry (other than securities issued or guaranteed by the U.S.). This restriction shall not prevent the Fund from purchasing the securities of an issuer pursuant to the exercise of rights distributed to the Fund by the issuer, except that no such purchase may be made if, as a result, the Fund would no longer be a diversified investment company as defined in the 1940 Act and as interpreted or modified from time to time. The Funds will utilize the Bloomberg Industry Classification System in complying with this restriction on concentrating.

4. Each Fund may not engage in the business of underwriting securities issued by others, except to the extent that a Fund may be deemed to be an underwriter in connection with the disposition of portfolio securities and as permitted under the 1940 Act as interpreted or modified from time to time.

5. Each Fund may not purchase or sell real estate including limited partnership interests (except that the Fund may invest in securities of companies which deal in real estate and securities secured by real estate or interests therein and the Fund reserves the right to hold and sell real estate acquired as a result of the Fund’s ownership of securities and except as otherwise permitted by the 1940 Act as modified or interpreted from time to time).

6. Each Fund may not purchase or sell commodities, except as permitted by the 1940 Act, as interpreted or modified from time to time.

Currently, each Fund is permitted to purchase or sell commodities as permitted by the 1940 Act, as amended, and as interpreted or modified by regulatory authority having jurisdiction. For purposes of this restriction, interest-rate, index and currency futures contracts options on such contracts and on stock indices and currencies, and forward foreign currency exchange contracts are not deemed to be commodities or commodity contracts.

7. Each Fund may not make loans to other persons, except (i) loans of portfolio securities; (ii) to the extent that entry into repurchase agreements and the purchase of debt investment instruments or interests in indebtedness in accordance with a Fund’s investment objective and policies may be deemed to be loans; and, (iii) as otherwise permitted by the 1940 Act as interpreted and modified from time to time.

Currently, a Fund may lend portfolio securities to broker-dealers and other financial institutions, subject to modification to conform to the 1940 Act as interpreted or modified from time to time, in an amount up to 33 1/3% of its total assets, taken at market value. While securities are on loan, the borrower will pay the Fund any income accruing on the security. The Fund may invest any collateral it receives in additional portfolio securities, such as U.S. Treasury notes, certificates of deposit, other high-grade, short-term obligations or interest bearing cash equivalents. Increases or decreases in the market value of a security lent will affect the Fund’s net asset value.

“Non fundamental” Investment Restrictions. Each Fund has adopted the following additional “non-fundamental” restrictions that may be changed without stockholders’ approval, to the extent permitted by applicable law, regulation or regulatory policy:

1. Each Fund may not make short sales of securities, maintain short positions, except for short-term credits as are necessary for the clearance of transactions and in connection with transactions involving forward foreign currency exchange contracts, futures contracts and related options.
2. Each Fund may not enter into a repurchase agreement not terminable within seven days if the total of such agreements would be more than 5% of the value of each Fund’s total assets at the time of the agreement.
3. Each Fund may not invest in securities of other investment companies (other than in connection with a merger, consolidation, reorganization or acquisition of assets) except to the extent permitted by the 1940 Act and related rules and regulatory interpretations, provided, nevertheless, in these instances 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 Australia/New Zealand, Africa Fund, Japan Fund and the Real Estate Securities Fund.
4. Each Fund may not purchase or retain for the Fund the securities of any issuer if those officers and Trustees of the Trust, or directors and officers of the Adviser, who individually own more than 1% of the outstanding securities of such issuer, together own more than 5% of such outstanding securities.
5. Each Fund may not purchase from or sell to any of the officers and Trustees of the Trust, the Adviser, its principal underwriter or the officers and directors of the Adviser or principal underwriter, portfolio securities of the Fund.
6. Each Fund may not invest in oil, gas or other mineral leases or exploration or development programs (although it may purchase securities of issuers which own, sponsor or invest in such interests).
7. Each Fund can pledge, mortgage or hypothecate its asset for the purpose of securing a Board approved loan.
8. Each Fund may not hold more than 15% of its net assets in securities for which there are legal or contractual restrictions on resale and in other illiquid securities.

With respect to non-fundamental restriction #8 above, to the extent a Fund’s investments in illiquid securities exceed the 15% threshold as a result of external circumstances (e.g., market movements) beyond the Fund’s control, all future purchases will be made toward coming back within that threshold.

RISK FACTORS

The descriptions of the types of risks associated with the various types of securities and investment techniques that FCA Corp may use in managing the Funds set forth below supplement the discussion of principal investment risks contained in the Funds’ prospectus. Where a particular type of risk is not discussed in the Funds’ prospectus, that type of risk is not a principal risk of investing in a Fund.

Investing in Foreign Markets and Securities

Investments by United States investors in securities of foreign issuers involve risks not associated with their investments in securities of United States issuers. Since the Funds invest in securities denominated or quoted in foreign currencies, the Funds may be affected favorably or unfavorably by exchange control regulations or changes in the exchange rate between the foreign currencies and U.S. currency. Changes in currency exchange rates will influence values within the portfolio. Changes in currency exchange rates may also affect the value of dividends and interest earned, gains and losses realized on the sale of securities and net investment income and gains, if any, to be distributed to stockholders of the Funds. The foreign currencies of countries in which the Funds invest may not be fully exchangeable into United States dollars without legal restriction and may not trade on a floating basis against all major currencies. The rate of exchange between the United States currency and the foreign currencies is determined by the forces of supply and demand in the foreign exchange markets. These forces are affected by the international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. The Funds may enter into forward foreign currency exchange contracts as a hedge against possible variations in the exchange rates between the United States currency and the foreign currencies. Such contracts are agreements to purchase or sell a specified currency at a specified future date (up to a year) and price. A Fund’s

dealings in currency exchange contracts will be limited to hedging involving either specific transactions or portfolio positions. No Fund is obligated to enter into these contracts and there is no guarantee any such contracts will achieve the desired objective.

There may be less publicly available information about foreign issuers than about United States issuers, and foreign issuers may be subject to uniform accounting, auditing and financial reporting standards and requirements not as well defined or different from those of United States issuers.

While the foreign securities markets are growing, they have substantially less trading volume than United States markets, and, as a result, securities are generally less liquid and their prices more volatile than securities of comparable United States issuers.

Brokerage commissions and other transaction costs in foreign countries may be higher than in the United States. There is generally less government supervision and regulation of business and industry practices of exchanges, brokers and issuers in foreign countries than there is in the United States. Delays in settling securities transactions may occur. This may, at times, make it difficult for a Fund to liquidate a previously established securities position. Settlement delays may result in the Fund experiencing delays in the receipt of dividends and interest. The Funds will rely on the expertise of the Custodian to help reduce these delays.

Although foreign countries in which the Funds invest may have relatively stable and friendly governments, there is the possibility of imposition of restrictions on repatriation and convertibility of Funds or other restrictions such as currency exchange controls, expropriation of assets, confiscatory taxation, imposition of foreign withholding taxes, political or social instability or diplomatic developments which could affect investments.

The Funds' investment flexibilities may be further limited by restrictions on percentage of ownership by the residents of a country that may be applicable under foreign country law or corporate charters with respect to certain companies. Additionally, certain rights offerings to shareholders of foreign companies in which the Funds may invest may not be made available to the Funds as a United States shareholder if such an offer to a United States investor would require registration with the SEC.

The operating expense ratio of the Funds can be expected to be higher than that of an investment company investing exclusively in securities of United States issuers since the expenses of the Funds (such as custodial, currency exchange, valuation and communications costs) are higher. Because of its emphasis on investments in foreign issuers, the Funds should be considered as a vehicle for diversification of investments and not as a balanced investment program.

Investments in foreign markets also subject the Funds to greater risk arising from managed currencies, higher inflation, less-developed capital markets and market economies, economic dependence on loans from international lending institution as well as foreign governments and institutions, less-developed systems of communication and transportation, the absence or the inadequacy of laws to protect investors and creditors, unstable governments and recently established less-developed economies emerging from total government control.

Investing in Emerging Markets. Each of the Global Fund, Africa Fund and Real Estate Securities Fund's investments in foreign securities may be in developed countries or in countries considered by the Adviser to have developing or "emerging" markets. Such investments may involve exposure to economic structures that are generally less diverse and mature than in the United States, and to political systems that may be less stable. A developing or emerging market country can be considered to be a country that is in the initial stages of its industrialization cycle. Currently, emerging markets generally include every country in the world other than the United States, Canada, Japan, Australia, New Zealand, Singapore and most Western European countries. Currently, investing in many emerging markets may not be desirable or feasible because of the lack of adequate custody arrangements for the Funds' assets, overly burdensome repatriation and similar restrictions, the lack of organized and liquid securities markets, unacceptable political risks or other reasons. As opportunities to invest in securities in emerging markets develop, a Fund may expand and further broaden the group of emerging markets in which it invests. Most emerging securities markets have substantially less volume and are subject to less governmental supervision than U.S. securities markets. Securities of many issuers in emerging markets may be less liquid and more volatile than securities of comparable domestic issuers. In addition, there is less regulation of securities exchanges, securities dealers, and listed and unlisted companies in emerging markets than in the U.S. In the past, markets of developing or emerging market countries have been more volatile than the markets of developed countries; however, such markets often have provided higher rates of return to investors. The Adviser believes that these characteristics may be expected to continue in the future.

Investing in High-Yield/High-Risk Securities

Investing in debt securities that are rated below investment grade entails certain risks. Securities of this type are often referred to as “junk bonds.” These securities may be subject to potentially higher risks of default and greater volatility than other debt securities, including risks that the issuer may not be able to meet its obligation to repay principal or pay interest. High-yield securities involve a higher degree of credit risk than do investment-grade securities. Credit risk is the risk that the issuer will not be able to make interest or principal payments when due. In the event of an unanticipated default, a Fund would experience a reduction in its income, and could expect a decline in the market value of the securities so affected. In addition, the secondary market on which these types of securities trade may be more volatile or less liquid than the market for investment-grade securities.

Investments in high-yield securities involve a higher degree of financial and market risks that could result in substantial losses. High-yield securities may be more vulnerable than other corporate debt securities to real or perceived economic changes, political changes or adverse developments specific to the issuer. Issuers of such securities may have substantial capital needs and may be more likely to become involved in bankruptcy or reorganization proceedings. Among the potential problems involved in investments in such issuers is the fact that it may be more difficult to obtain current reliable information about the financial condition of such issuers. The market prices of such securities may be subject to abrupt and erratic movements and above average price volatility, and the spread between the bid and asked prices of such securities may be greater than normally expected.

Unseasoned Companies

The Funds may invest in relatively new or unseasoned companies, which are in their early stages of development, or small companies in emerging industries. These companies may be less actively followed by stock analysts and less information may be available on which to base stock price evaluations.

Investing in Real Estate.

In addition to the foregoing risks, because the Real Estate Securities Fund concentrates its investments in the Real Estate Industries, that Fund will be subject to risks similar to those associated with the direct ownership of real estate, including: i) declines in the value of real estate, ii) risks related to general and local economic conditions, iii) dependency on management skill, iv) heavy cash flow dependency, v) possible lack of availability of mortgage funds and other borrowings, vi) overbuilding, vii) extended vacancies of properties, viii) increased competition, ix) increases in property taxes and operating expenses, x) changes in zoning laws, xi) losses due to costs resulting from the clean-up of environmental problems, xii) liability to third parties for damages resulting from environmental problems, xiii) casualty or condemnation losses, xiv) limitations on rents, xv) changes in neighborhood values and the appeal of properties to tenants, xvi) changes in interest rates and tax laws.

Investing in Real Estate Industries Companies. Investors also will be subject to certain risks associated with Real Estate Industries Companies. For example, the value of an investment in Real Estate Industries Companies that directly own real property may be affected by changes in the value of that property, while Real Estate Industries Companies that invest in mortgages and other debt instruments related to real estate may be affected by the quality of any credit extended. Credit risk is the possibility that an issuer will default on a security by failing to pay interest or principal when due. If this happens, the Fund could lose money. Real Estate Industries Companies depend on management skills and generally may not be diversified. These Real Estate Industries Companies also are dependent on the income generated by the underlying properties to meet operating expenses, and they are subject to borrower default and to self-liquidation. In addition, some REITs possibly could fail to qualify for tax-free pass-through of income or to maintain their exemptions from registration under the 1940 Act.

The above factors also may adversely affect a borrower’s or a lessee’s ability to meet its obligations to the REIT. In the event of a default by a borrower or lessee, the REIT may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting its investments.

REITs, particularly REITs that invest in mortgages, are subject to interest rate risk. When interest rates decline, the value of a REIT’s investment in fixed-rate obligations can be expected to rise. Conversely, when interest rates rise, the value of a REIT’s investment in fixed-rate obligations can be expected to decline. In contrast, as interest rates on adjustable-rate mortgage loans are reset periodically, yields on a REIT’s investments in such loans gradually will align themselves to reflect changes in market interest rates. This causes the value of these investments to fluctuate less dramatically in response to interest rate fluctuations than investments in fixed-rate obligations.

Special Considerations

The Japanese archipelago stretches along the northeastern coast of the Asian mainland, separated from it by the Sea of Japan. Japan is made up of four main islands - Hokkaido, Honshu, Shikoku and Kyushu - and some 3,900 smaller islands. The largest island is Honshu, which contains Japan's major cities (Tokyo, Yokohama, Nagoya, Kyoto, Osaka and Kobe). New Zealand comprises two main narrow and mountainous islands, the North Island and the South Island, separated by Cook Strait, and a number of smaller outlying islands. The total land area is approximately 268,000 square kilometers. New Zealand has a cool temperate climate, strongly influenced by oceanographic factors. Japan and New Zealand have experienced earthquakes and tidal waves of varying degrees of severity, and the risks of such phenomena, and damage resulting therefrom, continue to exist. Japan also has one of the world's highest population densities. A significant percentage of the total population of Japan is concentrated in the metropolitan areas of Tokyo, Osaka, and Nagoya. A natural disaster, including an earthquake or tidal wave, could have a significant negative impact on the countries in which the Funds invest, and, in time, on the price of the securities of companies located in such countries.

Japan has few natural resources and much of Japan's economy is dependent upon international trade. The country is a leading exporter of industrial machinery and automobiles as well as industrial and consumer electronics. Consequently, Japan's economy and export growth are impacted by economic development of its trading partners, particularly the United States and the developing nations in Southeast Asia. Domestic or foreign trade sanctions or other protectionist measures could adversely impact a number of economies in which the Funds invest.

The continent of Africa is home to a number of the world's poorest countries and much of the continent struggles with providing for basic necessities.

Wars, corruption, terrorism, genocide, religious intolerance, weak governments, foreign government involvement, government interference in the business sector by nationalization or excessive regulation, among others, lack of education, lack of healthcare, high levels of debt, and food shortages may lead to social unrest and disruptions of capital markets presenting a risk for investors.

The use of International Accounting Standards versus U.S. Generally Accepted Accounting Principles by some non-U.S. companies makes analysis of their financial performance more difficult for many U.S. investors.

Abusive Trading Policy

Frequent short-term purchases, redemptions or exchanges in Fund Shares (market timing or frequent trading activities) may result in a dilution in the value of Fund Shares for other Shareholders. Such activity may create transaction costs that are borne by all Shareholders, may disrupt the orderly management of the Funds' portfolio investments, and may affect the Funds' cost and performance for other Shareholders. The Funds' Board of Trustees has adopted policies to discourage such activities and has approved procedures to implement those policies. The Funds seek to monitor trading activity in the Funds' Shares and examine a number of factors to detect trading patterns in Fund Shares, including (but not limited to) the frequency, size and/or timing of investors' transactions in Fund Shares.

Each Fund reserves the right to reject any purchase or exchange order or to limit, suspend, and/or permanently terminate, the right to purchase or exchange Shares or the telephone order privilege from any investor or group of investors for any reason, without prior notice, including, in particular, if the Fund believes the trading activity in the account(s) would be disruptive to the Fund. The Fund may consider the trading history of accounts under common ownership or control in this determination, among other factors.

The Funds seek to apply their policies and procedures consistently to all Shareholders. While the Funds seek to identify and restrict market timing or frequent trading activities, the Funds receive purchase and redemption orders through financial intermediaries, retirement plans and other combined account arrangements. The Funds cannot in every case monitor trading that may be facilitated by the use of intermediaries or by the use of combined or omnibus accounts at those intermediary firms. For these reasons, such activities in a Fund's Shares may occur despite the Funds' policies to discourage such activities. The Funds or their agent may request representations of compliance with the Funds' market timing or frequent trading procedures from parties involved in the distribution of Fund Shares and administration of Shareholder accounts.

The Funds' abusive trading policies, in conjunction with the use of fair value pricing and application of the redemption fee, among other procedures, are intended to discourage such activities, although there can be no assurance that a Fund will eliminate such activities.

General Commodities-Related Risk

Should a Fund invest in securities of companies involved in oil and gas or mining activities, such investments will involve a high degree of risk, including geological risks, environmental liabilities, governmental regulations, and other risks involved in exploration, mining, distribution of, and marketing oil, gas, and other minerals. Natural resources companies may be affected by changes in overall market movements, commodity price volatility, changes in interest rates, or sectors affecting a particular industry or commodity such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political and regulatory developments.

PORTFOLIO TURNOVER

Portfolio turnover rate is defined by the SEC as the ratio of the lesser of sales or purchases to the monthly average value of such securities owned during the year, excluding all securities whose remaining maturities at the time of acquisition were one year or less.

Each Fund generally invests in equity securities with the view to hold them long-term. Each portfolio's securities are generally evaluated on their long-term prospects. The 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; or selling securities to cover Fund redemptions. Higher levels of portfolio activity by a Fund may result in higher transaction costs and/or more realized gains or losses, the impact of which is borne by the Fund's Shareholders.

The portfolio turnover rates for each Fund for the three most recent fiscal years ended October 31 were:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Australia/New Zealand Fund	6%	14%	31%
Africa Fund	5%	4%	12%
Japan Fund	10%	1%	14%
Global Fund	8%	6%	11%
Real Estate Securities Fund	11%	20%	13%

MANAGEMENT OF THE FUNDS

Officers' and Trustees' Information

The Board of Trustees provides overall supervision of the affairs of the Funds. The Chairman of the Board of Trustees is Mr. Jack Ewing, who is not an "interested person" of the Trust, within the meaning of the 1940 Act on the basis of his non-affiliation with the Funds or the Adviser, or its affiliated entities (an "Independent Trustee"). The Board of Trustees has considered the overall leadership structure of the Trust and has established committees designed to facilitate the governance of the Trust by the Trustees generally and the Board of Trustee's role with respect to risk oversight specifically. The committees are responsible for certain aspects of risk oversight relating to financial statements, the valuation of the Trust's assets, and compliance matters, as is more fully described below. The Board of Trustees also has frequent interaction with the service providers and Trust's chief compliance officer (the "CCO") with respect to risk oversight matters. The CCO reports directly to the Board generally with respect to the CCO's role in managing the compliance risks of the Trust. The CCO may also report directly to a particular committee of the Board of Trustees depending on the subject matter. The Trust's principal financial officer reports to the Audit Committee of the Board of Trustees on all financial matters affecting the Trust, including risks associated with financial reporting. Through the committee structure, the Trustees also interact with other officers and service providers of the Trust to monitor risks related to the Trust's operations. The Board of Trustees has determined that its leadership structure is appropriate based on the size of the Trust, the Board of Trustee's current responsibilities, each Trustee's ability to participate in the oversight of the Trust and committee transparency.

The Trustees and Executive Officers, and their principal occupations for the last five years are listed below. Each Trustee and Executive Officer acts in that capacity for each Fund of the Trust. The address of each Trustee is c/o Commonwealth International Series Trust, 791 Town & Country Blvd., Suite 250, Houston, Texas 77024. The term of office for each Trustee is until the next meeting of Shareholders called for the purpose of electing Trustees and until the election and qualification of a successor, or until such Trustee sooner dies, resigns or is removed as provided in the governing documents of the Funds. Because the Funds do not hold an annual meeting of Shareholders, each Trustee will hold office for an indeterminate period.

The following table provides information regarding each Trustee who is an “interested person” of the Trust, as defined in the 1940 Act, and each officer of the Trust.

Name, Address and Year of Birth	Position(s) Held With the Fund	Term of Office/ Length of Time Served	Principal Occupation(s) During the Past 5 years	Number of Portfolios in the Fund Complex Overseen by Trustee¹	Other Directorships held by Trustee
Robert Scharar ² 791 Town & Country Blvd. Suite 250 Houston, TX 77024-3925 Birth year: 1948	President, Interested Trustee	Indefinite until successor elected and qualified; since 2000.	Investment manager/Attorney/CPA; President, FCA Corp (investment Adviser), 1975 to present.	Five (5)	See Below ³
Wesley Yuhnke 791 Town & Country Blvd. Suite 250 Houston, TX 77024-3925 Birth year: 1979	Executive Vice President	Since 2013	Portfolio manager, FCA Corp., 2002 – present.	N/A	N/A
Zachary P. Richmond 2 Easton Oval, Suite 300 Columbus, Ohio 43219 Birth year: 1980	Treasurer	Since 2015	Assistant Vice President, Associate Director of Financial Administration, Ultimus Fund Solutions, LLC, December 2015 to present; Assistant Vice President, Fund Administration, Huntington Asset Services, Inc. (n/k/a Ultimus Fund Solutions, LLC), January 2011 to December 2015.	N/A	N/A
John H. Lively 11300 Tomahawk Creek Parkway, Suite 310 Leawood, Kansas 66211 Birth year: 1969	Secretary	Since 2008	Attorney and Managing Partner, Practus, LLP (law firm), April 2018 to present; Attorney, The Law Offices of John H. Lively & Associates, Inc. (law firm) March 2010 to April 2018.	N/A	N/A
Bonnie Scott 791 Town & Country Blvd. Suite 250 Houston, TX 77024-3925 Birth year: 1949	Assistant Secretary	Since 2003	Administrator, FCA Corp (investment Adviser), 1998 to present.	N/A	N/A
William LeVay 791 Town & Country Blvd. Suite 250 Houston, TX 77024-3925 Birth year: 1955	Chief Compliance Officer	Since 2018	Chief Compliance Officer, FCA Corp, December 2012 to present.	N/A	N/A

1 The “Fund Complex” consists of the Trust.

2 Robert Scharar is considered an “interested person” of the Funds as defined in the 1940 Act, as amended, because he is an officer of the Trust and an officer of the Trust’s investment adviser.

3 Mr. Scharar is also an officer, director and/or manager of the following companies: NICO Holdings, Ltd. (Malawi), Africap, LLC, First Commonwealth Holdings Corporation, First Commonwealth Mortgage Trust, Holly Mortgage Trust, Ivy Realty Trust, subsidiary companies at some of the above, and other

closely held entities.

The following table provides information regarding each Trustee who is an Independent Trustee.

Name, Address and Year of Birth	Position(s) Held With the Fund	Term of Office/ Length of Time Served	Principal Occupation(s) During the Past 5 years	Number of Portfolios in the Fund Complex Overseen by Trustee¹	Other Directorships held by Trustee
John Akard, Jr. 791 Town & Country Blvd. Suite 250 Houston, TX 77024-3925 Birth year: 1966	Independent Trustee	Indefinite until successor elected and qualified; since 2000.	Attorney-CPA, Owner, John Akard Jr. P.C. (and its predecessor) (law firm), 1996 to present; Shareholder, 2014 to present, and of Counsel, 1999 to 2014, Coplen & Banks, P.C. (and its predecessor) (law firm).	Five (5)	None
Kathleen Kelly 791 Town & Country Blvd. Suite 250 Houston, TX 77024-3925 Birth year: 1952	Independent Trustee	Indefinite until successor elected and qualified; since 2000.	Honorary Consul, New Zealand Consulate, 1995 to 2014; Owner, International Protocol Advisors (consulting services), August 1992 to present.	Five (5)	None
Jack Ewing 791 Town & Country Blvd. Suite 250 Houston, TX 77024-3925 Birth year: 1939	Independent Trustee	Indefinite until successor elected and qualified; since 2000.	Adjunct Economics Professor, University of Houston - Downtown, 2005 to 2015.	Five (5)	Member, Board of Directors of the Japan-America Society of Houston (a non-profit organization)

¹ The "Fund Complex" consists of the Trust.

Board of Trustees

Trustee's Responsibilities. The Board of Trustees' primary responsibility is to represent the interests of each Fund's Shareholders and to provide oversight of the management of each Fund. Currently, 75% of the Board is comprised of Independent Trustees.

The Trustees meet at least quarterly throughout the year to review the investment performance of each Fund and other operational matters, including policies and procedures designed to assure compliance with regulatory and other requirements. During the fiscal year ended October 31, 2019, the Board of Trustees conducted four (4) meetings (including regular and special board meetings) to deal with Fund matters. As part of the meeting process, the Independent Trustees reviewed the fees paid to the Adviser for investment advisory services and to the other administrative and shareholder service providers. The Trustees have adopted specific policies and guidelines that, among other things, seek to further enhance the effectiveness of the Independent Trustees in performing their duties. The Trustees are assisted by the Funds' independent registered public accounting firm and other independent experts retained from time to time for various purposes. The Independent Trustees regularly meet privately with counsel and other experts.

Trustee Qualifications

Generally, no one factor was decisive in the original selection of an individual to join the Board. Among the factors the Board considered when concluding that an individual should serve on the Board were the following: (1) the individual's business and professional experience and accomplishments; (2) the individual's ability to work effectively with the other members of the Board; and (3) how the individual's skills, experience and attributes would contribute to an appropriate mix of relevant skills and experience on the Board. In respect of each Trustee, the individual's substantial professional accomplishments and prior experience were a significant factor in the determination that the individual should serve as a Trustee of the Trust. In addition to the information provided above, below is a summary of the specific experience, qualifications, attributes or skills of each Trustee and the reason why he/she was selected to serve as Trustee. The Trust does not believe any one factor is determinative in assessing a Trustee's qualifications, but that the collective experience of each Trustee makes them each highly qualified.

John Akard, Jr. Mr. Akard is an Attorney & a CPA, practicing both accounting and law, maintaining a law practice focused on corporate representation, bankruptcy, probate & estate planning. He is a Past President of the American Association of Attorney-CPAs and has been a Trustee of the Trust for over 10 years and thus possesses a strong understanding of the regulatory framework under which the Funds operate based on his years of service on the Board of Trustees. Mr. Akard also serves on the Board of Trustees and Chair of the Finance Committee of the Episcopal Foundation of Texas.

Kathleen Kelly. Ms. Kelly has over 35 years of experience in international business, serving as an Honorary Consul and consultant, holds a Bachelor of Arts in History and possesses a strong understanding of the regulatory framework under which the Funds operate based on her years of service to the Board of Trustees.

Jack Ewing. Mr. Ewing has over 45 years international business experience, a Master's degree in International Relations, and a fundamental understanding of the business and regulatory environment under which the Funds operate based on his years of service to the Board of Trustees, as well as his academic teaching and research activities. Additionally, as of August, 2015, Mr. Ewing began serving on the Board of the Japan America Society of Houston.

Robert W. Scharar. Mr. Scharar has over 45 years of business experience in the investment business, and possesses a strong understanding of the framework under which the Funds operate based on his years of service on the Board of Trustees. Mr. Scharar is also president of the Adviser. Mr. Scharar holds MBA, Juris Doctorate and LLM (Tax) degrees, and is a Certified Public Accountant, with extensive business experience.

Committees

The Trust has two standing committees – the Audit/Compliance Committee and the Governance, Nomination and Compensation Committee.

The Trust's Audit/Compliance Committee consists of the Independent Trustees. The Committee is responsible for (i) the appointment, compensation and oversight of registered public accounting firms and such firms must report directly to the Committee; (ii) reviewing the independence of such firms and the auditors assigned to the Funds, the scope of audit and internal controls. Considering and reporting to the Board on matters relating to the Funds' accounting and financial reporting practices, reviewing the methods, scope and result of the audits and audit fees charged; (iii) engaging and determining the fee of counsel and other experts as it determines necessary; (iv) establishing procedures for the receipt, retention and treatment of complaints received by the Funds regarding accounting, internal accounting controls, or auditing matters, and the confidential anonymous submission by employees of the Adviser and/or the Administrator of concerns of questionable accounting or auditing matters; (v) receiving and reviewing periodic or special reports issued on exposure/controls, irregularities and control failures relating to the Trust; (vi) conducting discussions on matters relating to the Trust's accounting and compliance as well as other Trust-related matters; and (vii) overseeing the compliance function and receiving regular reports and communications from the Trust's chief compliance officer on compliance matters affecting the Trust and the Funds. During the fiscal year ended October 31, 2019, the Audit/Compliance Committee met four times.

The Governance, Nomination and Compensation Committee consists of the Independent Trustees and oversees general Trust governance-related matters. The Governance and Nomination and Compensation Committee's purposes, duties and powers are set forth in its written charter, which is included in Appendix B — the charter also describes the process by which shareholders of the Trust may make nominations to the Trust. During the fiscal year ended October 31, 2019, the Governance, Nomination and Compensation Committee met five times.

Trustee Fund Ownership:

The following sets forth ranges representing each Trustee’s beneficial ownership of Fund Shares as of December 31, 2019. The values are stated using the following ranges: A = none; B = \$1-\$10,000; C = \$10,001-\$50,000; D = \$50,001-\$100,000; and E = over \$100,000.

Name of Trustee	Dollar Range of Equity Securities in the Fund		Aggregate Dollar Range of Equity Securities in All Registered Investment Companies Overseen by Trustee in Family of Investment Companies
Interested Trustee			
Robert W. Scharar	Australia/New Zealand Fund	D	
	Africa Fund	C	
	Japan Fund	C	
	Global Fund	D	
	Real Estate Securities Fund	B	
	Total	E	
Independent Trustees			
Jack Ewing	Australia/New Zealand Fund	B	
	Africa Fund	C	
	Japan Fund	B	
	Global Fund	C	
	Real Estate Securities Fund	B	
	Total	D	
John Akard, Jr.	Australia/New Zealand Fund	C	
	Africa Fund	B	
	Japan Fund	C	
	Global Fund	C	
	Real Estate Securities Fund	C	
	Total	D	
Kathleen Kelly	Australia/New Zealand Fund	C	
	Africa Fund	C	
	Japan Fund	C	
	Global Fund	C	
	Real Estate Securities Fund	C	
	Total	D	

No Independent Trustee, or his or her immediate family members, owns a beneficial interest or is an owner of record in: (i) the Adviser or the distributor of the Funds, Ultimus Fund Distributors, LLC (the “Distributor”); or (ii) a person (other than a registered investment company) directly or indirectly controlling, controlled by, or under common control with, the Adviser or Distributor of the Funds.

Remuneration

Each Independent Trustee receives compensation from the Funds for his or her services. Each Trustee receives \$6,500 per quarter and Mr. Ewing, as Chairman, receives \$7,500 per quarter. No additional compensation is paid to any Independent Trustee for travel time to meetings, attendance at Trustees’ educational seminars or conferences, service on industry or association committees, participation as a speaker at a Trustees’ conference or service on special Trustees task forces or subcommittees. Independent Trustees do not receive any employee benefits such as pension or retirement benefits or health insurance for their service to the Trust.

The following tables show the aggregate compensation received by each Independent Trustee from a Fund and from all of the Funds as a group for the most recent fiscal year ended October 31, 2019.

AUSTRALIA/NEW ZEALAND FUND

Name of Person / Position	Aggregate Compensation From Fund	Pension or Retirement Benefits Accrued As Part of Funds Expenses	Estimated Annual Benefits upon Retirement	Total Compensation From Fund and Fund Complex Paid To Trustees (*)
John Akard, Jr., Trustee	\$7,983	\$0	\$0	\$26,000 ⁽¹⁾
Kathleen Kelly, Trustee	\$7,983	\$0	\$0	\$26,000 ⁽¹⁾
Jack Ewing, Trustee	\$9,211	\$0	\$0	\$30,000 ⁽¹⁾

AFRICA FUND

Name of Person / Position	Aggregate Compensation From Fund	Pension or Retirement Benefits Accrued As Part of Funds Expenses	Estimated Annual Benefits upon Retirement	Total Compensation From Fund and Fund Complex Paid To Trustees (*)
John Akard, Jr., Trustee	\$1,378	\$0	\$0	\$26,000 ⁽¹⁾
Kathleen Kelly, Trustee	\$1,378	\$0	\$0	\$26,000 ⁽¹⁾
Jack Ewing, Trustee	\$1,590	\$0	\$0	\$30,000 ⁽¹⁾

JAPAN FUND

Name of Person / Position	Aggregate Compensation From Fund	Pension or Retirement Benefits Accrued As Part of Funds Expenses	Estimated Annual Benefits upon Retirement	Total Compensation From Fund and Fund Complex Paid To Trustees (*)
John Akard, Jr., Trustee	\$2,995	\$0	\$0	\$26,000 ⁽¹⁾
Kathleen Kelly, Trustee	\$2,995	\$0	\$0	\$26,000 ⁽¹⁾
Jack Ewing, Trustee	\$3,456	\$0	\$0	\$30,000 ⁽¹⁾

GLOBAL FUND

Name of Person / Position	Aggregate Compensation From Fund	Pension or Retirement Benefits Accrued As Part of Funds Expenses	Estimated Annual Benefits upon Retirement	Total Compensation From Fund and Fund Complex Paid To Trustees (*)
John Akard, Jr., Trustee	\$7,728	\$0	\$0	\$26,000 ⁽¹⁾
Kathleen Kelly, Trustee	\$7,728	\$0	\$0	\$26,000 ⁽¹⁾
Jack Ewing, Trustee	\$8,917	\$0	\$0	\$30,000 ⁽¹⁾

* Company does not pay deferred compensation.

(1) The "Fund Complex" consists of the Trust, which is comprised of the Funds described in this SAI.

REAL ESTATE SECURITIES FUND

Name of Person / Position	Aggregate Compensation From Fund	Pension or Retirement Benefits Accrued As Part of Funds Expenses	Estimated Annual Benefits upon Retirement	Total Compensation From Fund and Fund Complex Paid To Trustees (*)
John Akard, Jr., Trustee	\$5,916	\$0	\$0	\$26,000 ⁽¹⁾
Kathleen Kelly, Trustee	\$5,916	\$0	\$0	\$26,000 ⁽¹⁾
Jack Ewing, Trustee	\$6,826	\$0	\$0	\$30,000 ⁽¹⁾

* Company does not pay deferred compensation.

(1) The "Fund Complex" consists of the Trust, which is comprised of the Funds described in this SAL.

Trustees of the Board who are employees of the Adviser or its affiliates receive no direct compensation from the Funds, although they are compensated as employees of the Adviser, or its affiliates, and as a result may be deemed to benefit from the fees paid by each Fund. However, directors, officers or employees of the Adviser or the Funds' administrator, Ultimus Fund Solutions, LLC (the "Administrator") will be reimbursed for the travel expenses (or an appropriate portion thereof) relating to attendance at meetings of the Board or any of its committees.

Portfolio Managers

The Adviser has provided the Trust with the following information regarding each portfolio manager identified in the prospectus. The table below lists the number of other accounts managed by each such portfolio manager as of October 31, 2019 within each of three categories: (A) registered investment companies, (B) other pooled investment vehicles, and (C) other accounts; as well as the total assets in the accounts managed within each category. For each category, the table also lists the number of accounts and the total assets in the accounts with respect to which the advisory fee is based on the performance of the account. Below the table, the Adviser has provided a description of any material conflicts of interest that may arise in connection with each portfolio manager's management of the Funds' investments, on the one hand, and the investments of the other accounts, on the other. The Adviser has also provided a description of the structure of, and the method used to determine, the portfolio managers' compensation as of October 31, 2019.

Accounts Managed

Name of Portfolio Manager	Other Accounts Managed	Accounts with respect to which the advisory fee is based on the performance of the account		Accounts with respect to which the advisory fee is not based on the performance of the account	
		Number of Accounts in Category	Total Assets in Accounts in Category	Number of Accounts in Category	Total Assets in Accounts in Category
Robert W. Scharar	Registered Investment Companies	0	\$0	0	\$0
	Other Pooled Investment Vehicles	0	\$0	3	\$33,603,780
	Other Accounts	0	\$0	484	\$342,919,051
Wesley Yuhnke	Registered Investment Companies	0	\$0	0	\$0
	Other Pooled Investment Vehicles	0	\$0	0	\$0
	Other Accounts	0	\$0	484	\$342,919,051

Material Conflicts of Interest

Actual or apparent conflicts of interest may arise in connection with the day-to-day management of the Funds and other accounts. The management of the Funds and other accounts may result in unequal time and attention being devoted to the Funds and

other accounts. In addition, potential conflicts of interest may arise where another account has the same investment objective as one or more of the Funds, whereby a portfolio manager could favor one account over another. Further, a potential conflict could include a portfolio manager’s knowledge about the size, timing and possible market impact of Fund trades. The portfolio manager could use this information to the advantage of other accounts and to the disadvantage of the Fund. These potential conflicts of interest could create the appearance that a portfolio manager is favoring one investment vehicle over another. The Adviser has in place procedures that address investments in securities of companies on whose board a portfolio manager may serve.

However, the Adviser is not aware of any material conflicts of interest that exist in connection with the portfolio managers’ management of the portfolio and the investments of the other accounts included in the table above.

Compensation

The portfolio managers are compensated using the same methodology that applies to other employees of the Adviser. Employees receive a salary and health benefits, and may participate in a retirement plan upon meeting eligibility requirements. Individual bonuses are given based on a number of qualitative and quantitative factors. These factors include the completion of individual goals and objectives, judgment, communications skills, innovation and teamwork, and the Adviser’s profitability and revenues. Years of experience and level of responsibility also are factors in determining a potential bonus. This bonus is not tied directly to the performance of a Fund’s portfolio or to the performance of the other accounts included in the table above, i.e., there is no performance bonus.

Security Ownership

The following table shows the dollar range of equity securities of the Funds beneficially owned by the Portfolio Managers as of October 31, 2019.

Portfolio Manager	Australia/New Zealand Fund	Africa Fund	Japan Fund	Global Fund	Real Estate Securities Fund
Robert W. Scharar	\$50,001 - \$100,000	\$10,001 - \$50,000	\$10,001 - \$50,000	\$50,001 - \$100,000	\$1 - \$10,000
Wesley R. Yuhnke	\$1 - \$10,000	\$1 - \$10,000	\$1 - 10,000	\$1 - \$10,000	\$1 - \$10,000

CODE OF ETHICS

The Trust, the Adviser, the Distributor and the Administrator each have adopted Codes of Ethics. These codes prohibit certain investments by their respective personnel subject to the codes in securities that may be purchased or held by the Fund. The Trust has also adopted a Code of Ethics for its Principal Executive Officers and Principal Financial Officers.

PROXY VOTING POLICIES

The Board of Trustees of the Trust have reviewed and adopted a proxy voting policy (the “Fund Proxy Policy”), pursuant to which the Trustees have delegated proxy voting responsibility to the Adviser. In the event of a conflict between the interest of Fund Shareholders and the Adviser, the Adviser will not exercise the delegated authority and will delegate such authority to the Chairman of the Audit/Compliance Committee. The Adviser shall make the economic best interest to Fund Shareholders its primary advisory consideration when voting proxies of the companies held in Fund accounts. The Adviser will vote, as a rule, only on matters which clearly have an economic impact and only when it is reasonably feasible to evaluate the proposal and cast an informed vote by the Adviser in accordance with the “Fund Proxy Policy”, found in its entirety in Appendix A.

In general, the Funds’ Proxy Policy is designed to promote accountability of a company’s management to its shareholders and to align the interests of management with those of its shareholders. The Adviser will generally vote with company management on matters related to corporate administration which are not expected to have a significant economic impact on the company or its shareholders, taken at face value, and on matters regarding the domicile of the company. On any matter, the Adviser may take management’s proposals under advisement and will consider each matter in light of the guidelines set forth in the Funds’ Proxy Policy.

The Adviser may abstain from voting from time to time where it determines the costs and time required or other factors associated with voting a proxy outweighs the benefits derived from exercising the right to vote. Any material changes to the proxy policies and procedures will be submitted to the Board of Trustees of the Trust for approval.

The Trust is required to file a Form N-PX, with its complete proxy voting record for each 12-month period ended June 30. The Trust's Form N-PX filing is available without charge, upon request, by calling the Funds' toll-free number, (888) 345-1898, and at the SEC's website at www.sec.gov.

INVESTMENT ADVISORY AGREEMENT

The Trust has entered into five separate Investment Advisory Agreements, on behalf of its five separate Funds (the Japan Fund, the Africa Fund, the Australia/New Zealand Fund, the Global Fund and the Real Estate Securities Fund) with the Adviser (each an "Advisory Agreement"). The Adviser manages the investment of the Funds' assets and places orders for the purchase and sale of their portfolio securities. In connection with its responsibilities, the Adviser provides the Funds with research, analysis, advice, and economic and statistical data and judgments involving individual investments, general economic conditions and trends, and long-range investment policy.

The Adviser is controlled by Robert W. Scharar, the President of the Funds and the principal stockholder of the Adviser's parent company, First Commonwealth Holding Company.

Under the Advisory Agreements, each Fund pays to the Adviser as compensation for the services rendered by it a fee, calculated daily and payable monthly, equal to an annual rate of 0.75% of the average net assets of each Fund.

During the three most recent fiscal years ended October 31, the Funds paid investment advisory fees as follows:

	AUSTRALIA/NEW ZEALAND FUND	AFRICA FUND	JAPAN FUND	GLOBAL FUND	REAL ESTATE SECURITIES FUND
October 31, 2019	\$122,661	\$0	\$0	\$114,450	\$85,659
October 31, 2018	\$150,250	\$0	\$0	\$122,908	\$86,554
October 31, 2017	\$155,793	\$0	\$0	\$116,148	\$77,669

The Adviser has entered into a written expense limitation agreement under which it has agreed to limit the total expenses of the Africa Fund and the Japan Fund (exclusive of interest, distribution fees pursuant to Rule 12b-1 Plans, taxes, acquired fund fees and expenses, brokerage commissions, extraordinary expenses and dividend expense on short sales) to an annual rate of 1.50% of the respective Fund's average daily net assets. This expense limitation agreement may be terminated by the Adviser or the Trust at any time after February 29, 2021. The Adviser may recoup any waived amount and/or reimbursed expenses from the respective Fund pursuant to this agreement if such reimbursement does not cause the Fund to exceed the expense limitation in place at the time the fee was waived and/or expenses were reimbursed and such recoupment is made within three years after the year in which the Adviser incurred the expense.

For the fiscal years ended as indicated below, the Adviser waived management fees for the Africa Fund and Japan Fund. These waived management fees are subject to recoupment by the Adviser. The Africa Fund and the Japan Fund each have agreed to repay the Adviser for amounts waived by the Adviser pursuant to the fee waiver agreement to the extent that such repayment occurs within three fiscal years of the date of any such waiver and such repayment does not cause the Africa Fund or the Japan Fund to exceed the expense limitation in place at the time the fee was waived.

Management Fees Waived by Adviser

	Africa Fund	Japan Fund
October 31, 2019	\$72,515	\$87,704
October 31, 2018	\$40,093	\$54,644
October 31, 2017	\$39,552	\$57,433

As of October 31, 2019, the Adviser may seek repayment of investment advisory fee waivers and expense reimbursements in the amounts indicated below.

Recoverable Through	Africa Fund	Japan Fund
October 31, 2020	\$39,552	\$57,433
October 31, 2021	\$40,093	\$54,644
October 31, 2022	\$72,515	\$87,704

The Advisory Agreements also provide that the Adviser shall not be liable to a Fund for any errors or losses unless such errors or losses result from willful misfeasance, bad faith, gross negligence or reckless disregard of the Adviser's duties under the Advisory Agreement.

The Advisory Agreements for the Funds, after an initial two year period, may be continued from year to year if specifically approved at least annually (a) by the Board of Trustees of the Trust or by vote of a majority of the Funds Shares and (b) by the affirmative vote of a majority of the Trustees who are not parties to the agreement or interested persons of any such party by votes cast in person at a meeting called for such purpose. The Advisory Agreements provide that it shall terminate automatically in the event of its assignment (as such term is defined in the 1940 Act) and that it may be terminated without penalty by either party on 60 days written notice.

The Adviser shall not be required to pay any expenses of the Fund, other than those specifically allocated to the Adviser pursuant to the agreement. In particular, but without limiting the generality of the foregoing, the Adviser shall not be responsible, except to the extent of the reasonable compensation of the Fund's employees that are Trustees, officers or employees of the Adviser whose services may be involved, for the following expenses of the Fund: organization and certain offering expenses of the Fund (including out-of-pocket expenses, but not including the Adviser's overhead and employee costs); fees payable to the Adviser and to any other expenses; interest expenses; telephone, telex, facsimile, postage and other communications expenses; taxes and governmental fees; fees, dues and expenses incurred by or with respect to the Fund in connection with membership in investment company trade organizations; cost of insurance relating to fidelity coverage for the Fund's officers and employees, fees and expenses of the Administrator or of any custodian, sub custodian, transfer agent, registrar, or dividend disbursing agent of the Fund; payments to the Administrator for maintaining the Fund's financial books and records; other payments for portfolio pricing or valuation services to pricing agents, accountants, bankers and other specialists, if any; expenses of preparing Share certificates and, except as provided below, other expenses in connection with the issuance, offering, distribution or sale of securities issued by the Fund; expenses relating to investor and public relations; expenses of registering and qualifying Shares of the Fund for sale; freight, insurance and other charges in connection with the shipment of the Fund's portfolio securities; brokerage commissions or other costs of acquiring or disposing of any portfolio securities or other assets of the Fund, or of entering into other transactions or engaging in any investment practices with respect to the Fund; expenses of printing and distributing prospectuses, Statements of Additional Information, reports, notices and dividends to Shareholders; costs of stationery; any litigation expenses; costs of Shareholders and other meetings; the compensation and all expenses (specifically including travel expenses relating to the Trust business) of Trustees, officers and employees of the Trust who are not interested persons of the Adviser or Administrator; and travel expenses (or an appropriate portion thereof) of Trustees and officers of the Trust who are Trustees, officers or employees of the Adviser or the Administrator to the extent that such expenses relate to attendance at meetings of the Board of Trustees of the Trust or any committees thereof or Advisers thereto.

The Adviser shall not be required to pay expenses of any activity which is primarily intended to result in sales of Shares of the Fund if and to the extent that (i) such expenses are assumed or required to be borne by the Fund's Distributor or some other party, or (ii) the Trust on behalf of the Fund shall have adopted a plan in conformity with Rule 12b-1 under the 1940 Act providing that the Fund (or some other party) shall assume some or all of such expenses. The Adviser shall be required to pay such of the foregoing sales expenses as are not assumed or required to be paid by the Distributor or some other party or are not permitted to be paid by the Fund (or some other party) pursuant to such a plan.

ADMINISTRATIVE SERVICES

Effective August 15, 2018, Ultimus Fund Solutions, LLC, ("Ultimus" or the "Administrator") located at 225 Pictoria Drive, Suite 450, Cincinnati, Ohio 45246, serves as administrator and transfer agent for the Trust and also provides fund accounting services to the Trust. Prior to August 15, 2018, Ultimus Asset Services, LLC, a wholly-owned subsidiary of Ultimus Fund Solutions, LLC, served as Administrator to the Trust. The Administrator assists in supervising all operations of the Trust and has agreed to maintain office facilities; furnish statistical and research data, clerical, certain bookkeeping services and stationery and office supplies; prepare the periodic reports to the SEC on Form N-SAR or any replacement forms therefor; compile data for, assist the Trust or its designee in the preparation of, and file all of the Trust's federal and state tax returns and required tax filings other than those required to be made by the Custodian; prepare compliance filings pursuant to state securities laws with the advice of the Trust's counsel; assist to the extent

requested by the Trust with the Trust's preparation of its Annual and Semi-Annual Reports to Shareholders and its Registration Statement (on Form N-1A or any replacement thereof); compile data for, prepare and file timely Notices to the SEC required pursuant to Rule 24f-2 under the 1940 Act; keep and maintain the financial accounts and records of the Trust, including calculation of daily expense accruals; and generally assist in all aspects of the Trust's operations. Additionally, the Administrator supports the Trust in maintaining its Fund Compliance Program including, but not limited to, providing support services to the Trust's Chief Compliance Officer, including support for conducting an annual review of the Fund Compliance Program and performing risk-based testing and reporting of the compliance policies and procedures of services provided to the Trust by the Administrator and affiliated service providers.

The Administrator also serves as transfer agent for the Trust. Pursuant to its agreement with the Trust, the Administrator, as the transfer agent, among other things, performs the following services in connection with the Trust's Shareholders of record: maintenance of Shareholder records for the Trust's Shareholders of record; processing Shareholder purchase and redemption orders; processing transfers and exchanges of Shares of each Fund on the Shareholder files and records; processing dividend payments and reinvestments; and assistance in the mailing of Shareholder reports and proxy solicitation materials.

In addition, the Administrator provides certain fund accounting services to the Trust. The Administrator maintains the accounting books and records for the Trust, including journals containing an itemized daily record of all purchases and sales of portfolio securities, all receipts and disbursements of cash and all other debits and credits, general and auxiliary ledgers reflecting all asset, liability, reserve, capital, income and expense accounts, including interest accrued and interest received, and other required separate ledger accounts; maintains a monthly trial balance of all ledger accounts; performs certain accounting services for the Trust, including calculation of the net asset value per Share, calculation of the dividend and capital gain distributions, if any, and of yield, reconciliation of cash movements with the Custodian, affirmation to the Custodian of all portfolio trades and cash settlements, verification and reconciliation with the Custodian of all daily trade activity; provides certain reports; obtains dealer quotations, prices from a pricing service or matrix prices on all portfolio securities in order to mark the portfolio to the market; and prepares an interim balance sheet, statement of income and expense, and statement of changes in net assets for each Fund.

The Administrator receives a fee from the Trust for its services provided under the Mutual Fund Services Agreement for administration, transfer agency and fund accounting services that is calculated daily and paid periodically based upon the amount of each Fund's average daily net assets, subject to annual aggregate minimums. The Administrator also receives specific fees for individual services performed under the Agreement. For the fiscal year ended October 31, 2017, the Administrator received fees from the Australia/New Zealand Fund, Africa Fund, Japan Fund, Global Fund and Real Estate Securities Fund of \$124,914, \$15,369, \$30,324, \$92,712 and \$61,681, respectively. For the fiscal year ended October 31, 2018, the Administrator received fees from the Australia/New Zealand Fund, Africa Fund, Japan Fund, Global Fund and Real Estate Securities Fund of \$113,532, \$18,161, \$34,122, \$93,266 and \$65,920, respectively. For the fiscal year ended October 31, 2019, the Administrator received fees from the Australia/New Zealand Fund, Africa Fund, Japan Fund, Global Fund and Real Estate Securities Fund of \$85,930, \$22,968, \$37,120, \$80,037 and \$61,943, respectively.

The Agreement with Ultimus may be for good cause upon 30 days' notice, for out of scope services upon 60 days' notice or at the end of the term upon 90 days' notice.

The Agreement provides that the Administrator shall not be liable for any error of judgment or mistake of law or any loss suffered by the Trust in connection with the matters to which the contractual arrangements with the Administrator relate, except a loss resulting from willful misfeasance, bad faith, or negligence in the performance of its duties, or from the reckless disregard by the Administrator of its obligations and duties thereunder.

DISTRIBUTOR AND DISTRIBUTION PLANS

Effective December 31, 2019, Ultimus Fund Distributors, LLC ("UFD" or the "Distributor") located at 225 Pictoria Drive, Suite 450, Cincinnati, Ohio 45246, serves as the principal underwriter for each of the Fund's shares pursuant to a Distribution Agreement (the "Distribution Agreement"). Prior to December 31, 2019, Unified Financial Securities, LLC, ("Unified") located at 9465 Counselors Row, Suite 200, Indianapolis, IN 46240, served as the principal underwriter for each of the Fund's Shares pursuant to a Distribution Agreement. Both UFD and Unified are wholly-owned subsidiaries of Ultimus. Effective December 31, 2019, Unified merged with and into UFD.

Unless otherwise terminated, the Distribution Agreement will continue in effect for successive annual periods if, as to the Trust, such continuance is approved at least annually (i) by the Trust's Board of Trustees or by the vote of a majority of the outstanding Shares of the Trust, and (ii) by the vote of a majority of the Trustees of the Trust who are not parties to the Distribution Agreement or interested

persons (as defined in the 1940 Act) of any party to the Distribution Agreement, cast in person at a meeting called for the purpose of voting on such approval. The Distribution Agreement may be terminated in the event of any “assignment”, as that term is defined in the 1940 Act. The Distributor is obligated to sell the Shares of the Funds on a best efforts basis only against purchase orders for the Shares. Shares of the Funds are offered to the public on a continuous basis.

The Distributor may enter into selling agreements with intermediaries that solicit orders for the sale of Shares. The Distributor receives an annual fee for its services under the Distribution Agreement with the Trust. The Distributor has entered into a Distribution Services Agreement with the Trust and the Adviser in connection with the Distributor’s services as distributor of the Trust pursuant to which the Adviser undertakes to pay the Distributor amounts owed to the Distributor under the terms of the Distribution Agreement to the extent that the Trust is not otherwise authorized to make such payments.

For the fiscal years ended October 31, 2017, 2018 and 2019 the Trust paid Unified distribution fees in the amount of \$46,863, \$53,513 and \$53,486, respectively.

Each Fund has adopted a Service and Distribution Plan (each a “Plan”) pursuant to Rule 12b-1 of the 1940 Act. Each Plan is a type of plan known as a “reimbursement” plan because payments are made by the Fund in connection with the reimbursement of certain expenditures made by the Distributor. While the Plans permit each Fund to reimburse up to 0.35% of its average daily net assets to reimburse certain expenses in connection with the distribution of its Shares and provision of certain services to Shareholders, it is the intention of the Board of Trustees that the Funds currently only reimburse 0.25% under each Plan. If the Trustees’ intentions change on this matter, the Fund will amend or supplement the Prospectus. Out of the foregoing amount, each Fund is permitted to reimburse up to an aggregate of 0.25% of its average daily net assets to reimburse for certain Shareholder services. As required by Rule 12b-1, each Fund’s Plan was approved by a vote of the Fund’s Board of Trustees, and by a vote of the Trustees who are not “interested persons” of the Fund as defined under the 1940 Act and have no direct or indirect interest in the operation of the Plan or any agreements related to the Plan (the “Plan Trustees”). As is also required by Rule 12b-1, the Board of Trustees reviews quarterly reports prepared on the amounts expended and the purposes for the expenditures. For the fiscal year ended October 31, 2019, the Australia/New Zealand Fund, Africa Fund, Japan Fund, Global Fund and Real Estate Securities Fund accrued and paid out the following amounts under their respective Plans: \$40,887, \$6,972, \$14,751, \$38,150 and \$28,553, respectively. The table below represents the amounts paid by the Funds and/or the Adviser for the fiscal year ended October 31, 2019 as it relates to the following types of activities:

Australia/New Zealand Fund

Activity	Amount	Allocation
Advertising/Marketing	\$18,883	27.59%
Printing and Mailing prospectus to potential investors	\$0	0.00%
Compensation to Underwriter	\$0	0.00%
Compensation to Broker-Dealers	\$32,732	47.83%
Compensation to Sales Personnel	\$0	0.00%
Interest, carrying, or other financing charges	\$0	0.00%
Other	\$16,818	24.58%

Africa Fund

Activity	Amount	Allocation
Advertising/Marketing	\$3,310	15.57%
Printing and Mailing prospectus to potential investors	\$0	0.00%
Compensation to Underwriter	\$0	0.00%
Compensation to Broker-Dealers	\$15,026	70.69%
Compensation to Sales Personnel	\$0	0.00%
Interest, carrying, or other financing charges	\$0	0.00%
Other	\$2,920	13.74%

Japan Fund

Activity	Amount	Allocation
Advertising/Marketing	\$6,618	36.55%
Printing and Mailing prospectus to potential investors	\$0	0.00%
Compensation to Underwriter	\$0	0.00%
Compensation to Broker-Dealers	\$5,503	30.40%
Compensation to Sales Personnel	\$0	0.00%
Interest, carrying, or other financing charges	\$0	0.00%
Other	\$5,984	33.05%

Global Fund

Activity	Amount	Allocation
Advertising/Marketing	\$17,195	31.39%
Printing and Mailing prospectus to potential investors	\$0	0.00%
Compensation to Underwriter	\$0	0.00%
Compensation to Broker-Dealers	\$22,020	40.20%
Compensation to Sales Personnel	\$0	0.00%
Interest, carrying, or other financing charges	\$0	0.00%
Other	\$15,559	28.41%

Real Estate Securities Fund

Activity	Amount	Allocation
Advertising/Marketing	\$15,078	35.24%
Printing and Mailing prospectus to potential investors	\$0	0.00%
Compensation to Underwriter	\$0	0.00%
Compensation to Broker-Dealers	\$13,082	30.57%
Compensation to Sales Personnel	\$0	0.00%
Interest, carrying, or other financing charges	\$0	0.00%
Other	\$14,629	34.19%

The Plan Trustees expect that each Plan will enhance each Fund's ability to expand distribution of its Shares. It is also anticipated that an increase in the size of the Funds will facilitate more efficient portfolio management and assist each Fund in seeking to achieve its investment objective.

Each Plan and any related agreements may be terminated at any time by a vote of the Plan Trustees or by a vote of a majority of each Fund's outstanding voting securities. As required by Rule 12b-1, selection and nomination of the Independent Trustees for the Trust is committed to the discretion of the Independent Trustees.

Any change in a Plan that would materially increase the distribution expenses of the Fund requires Shareholder approval, but otherwise, a Plan may be amended by the Plan Trustees, including a majority of the Independent Trustees.

Each Plan will continue in effect for successive one-year periods provided that such continuance is specifically approved by a majority of the Plan Trustees, including a majority of the Independent Trustees. In compliance with the Rule, the Plan Trustees, in connection with both the adoption and continuance of each Plan, requested and evaluated information they thought necessary to make an informed determination of whether each Plan and any related agreements should be implemented, and they concluded, in the exercise of their reasonable business judgment and in light of their fiduciary duties, that there is a reasonable likelihood that each Plan and the related agreements will benefit each Fund and its Shareholders.

The Distributor may enter into, from time to time, agreements with selected dealers pursuant to which such dealers will provide certain services in connection with the distribution of each Fund's Shares including, but not limited to, those discussed above.

PORTFOLIO TRANSACTIONS AND BROKERAGE

The Adviser is responsible for decisions to buy and sell securities for each Fund and for the placement of its portfolio business and the negotiation of the commissions paid on such transactions. In over-the-counter transactions, orders are placed directly with a principal market maker unless it is believed that a better price and execution can be obtained by using a broker. Except to the extent that a Fund may pay higher brokerage commissions for brokerage and research services (as described below) on a portion of its transactions executed on securities exchanges, the Adviser seeks the best security price at the most favorable commission rate. In selecting dealers and in negotiating commissions, the Adviser considers the firm's reliability, the quality of its execution services on a continuing basis and its financial condition. When more than one firm is believed to meet these criteria, preference may be given to firms that also provide research services to the Fund or the Adviser.

Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)") permits an investment adviser, under certain circumstances, to cause an account to pay a broker or dealer who supplies brokerage and research services a commission for effecting a securities transaction in excess of the amount of commission another broker or dealer would have charged for effecting the transaction. Brokerage and research services include (a) furnishing advice as to the value of securities, the advisability of investing in, purchasing or selling securities, and the availability of securities or purchasers or sellers of securities, (b) furnishing analyses and reports concerning issuers, industries, securities, economic factors and trends, portfolio strategy, and the performance of accounts, and (c) effecting securities transactions and performing functions incidental thereto (such as clearance, settlement and custody).

The Trust's Board of Trustees has authorized the Adviser to cause each Fund to incur brokerage commissions in an amount higher than the lowest available rate in return for research services provided to the Adviser that provide lawful and appropriate assistance to the Adviser in the performance of its decision-making responsibilities. The Adviser is of the opinion that the continued receipt of supplemental investment research services from dealers is essential to its provision of high-quality portfolio management services to the Funds. The Adviser undertakes that such higher commissions will not be paid by a Fund unless (a) the Adviser determines in good faith that the amount is reasonable in relation to the services in terms of the particular transaction or in terms of the Adviser's overall responsibilities with respect to the accounts as to which it exercises investment discretion, (b) such payment is made in compliance with the provisions of Section 28(e) and other applicable State and Federal laws and regulations, and (c) in the opinion of the Adviser, the total commissions paid by each Fund are reasonable in relation to the expected benefits to each Fund over the long term. The investment advisory fee paid by each Fund under the Advisory Agreements is not reduced as a result of the Adviser's receipt of research services.

The Adviser may not give consideration to sales of Shares of the Funds as a factor in the selection of brokers and dealers to execute portfolio transactions. However, the Adviser may place Fund transactions with brokers or dealers that promote or sell each Fund's Shares so long as such placements are made pursuant to policies approved by the Board of Trustees that are designed to ensure that the selection is based on the quality of the broker's execution and not on its sales efforts.

The Adviser places portfolio transactions for other advisory accounts. Research services furnished by firms through which a Fund effects its securities transactions may be used by the Adviser in servicing all of its accounts; not all of such services may be used by the Adviser in connection with the Fund. In the opinion of the Adviser, the benefits from research services to each of the accounts (including the Funds) managed by the Adviser cannot be measured separately. Because the volume and nature of the trading activities of the accounts are not uniform, the amount of commissions in excess of the lowest available rate paid by each account for brokerage and research services will vary. However, in the opinion of the Adviser, such costs to a Fund will not be disproportionate to the benefits received by the Fund on a continuing basis.

The Adviser seeks to allocate portfolio transactions equitably whenever concurrent decisions are made to purchase or sell securities by a Fund and another advisory account. In some cases, this procedure could have an adverse effect on the price or the amount of securities available to a Fund. In making such allocations among a Fund and other advisory accounts, the main factors considered by the Adviser are the respective investment objectives, the relative size of portfolio holdings of the same or comparable securities, the availability of cash for investment, the size of investment commitments generally held, and opinions of the persons responsible for recommending the investment.

During the three most recent fiscal years ended October 31, the Funds paid brokerage commissions on portfolio trades as set forth below.

<u>Fund</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Australia/New Zealand	\$17,006	\$29,105	\$51,920
Africa Fund	\$824	\$1,911	\$2,873
Japan Fund	\$1,250	\$389	\$2,041
Global Fund	\$3,043	\$6,758	\$7,340
Real Estate Securities Fund	\$10,141	\$7,691	\$4,887

POLICY AND PROCEDURES FOR DISSEMINATION OF PORTFOLIO HOLDINGS

It is the policy of the Funds and their affiliates not to disclose portfolio holdings before such information is publicly disclosed to any outside parties, including individual investors, institutional investors, intermediaries, third party service providers to the Funds, rating and ranking organizations, and affiliated persons of the Funds, unless such disclosure is consistent with a Fund's legitimate business purpose and the recipients are subject to a duty of confidentiality. The Funds have determined that disclosure is only permissible: (i) as required by law; (ii) to certain mutual fund rating and ranking organizations; (iii) to certain third party service providers to the Funds with a specific business reason to know the portfolio holdings of the Funds; and (iv) to securities lending agents and securities borrowers.

The Trust will make available to the public a complete schedule of the Funds' portfolio holdings, as reported on a fiscal quarter basis. The Trust will file these quarterly portfolio holdings with the SEC on Form N-CSR or Form N-PORT, as applicable. The Trust's Form N-CSR and Form N-PORT are available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington D.C. Monthly portfolio holdings reports will be filed with the SEC on Form N-PORT and information reported on Form N-PORT for the third month of each Fund's fiscal quarter will be made available 60 days after the end of each Fund's fiscal quarter. In addition, each Fund's portfolio holdings as of the end of the second and fourth fiscal quarter will be included with the semi-annual and annual financial statements, respectively, which are sent to shareholders and filed with the SEC on Form N-CSR.

The officers of the Trust and/or Adviser may, from time to time, provide additional portfolio holdings information, including lists of the ten largest holdings and the complete portfolio holdings as of the end of each calendar quarter. The Trust will generally make this information available to the public on its website at www.commonwealthfunds.com approximately 30 days after the end of the calendar quarter and such information will remain available until new information for the next calendar quarter is posted. The Trust may also send this information to shareholders of the Funds and to mutual fund analysts and rating and trading entities, such as Lipper or Morningstar; provided that the Trust will not send this information to shareholders of the Trust or analysts or rating and/or trading entities until such information has been publicly disclosed on the Trust's website.

Officers of the Trust may authorize disclosure of the Funds' portfolio securities in accordance with this policy only to mutual fund rating and ranking organizations, such as Lipper or Morningstar, or to certain third party service providers of the Funds, such as the Custodian, Administrator, and the Funds' legal counsel, independent public accountant, and financial printer. The Trust's Board has reviewed this policy and has designated the Trust's chief compliance officer to be responsible for monitoring compliance with the policy. In consultation with the chief compliance officer, the Board reviews the Funds' portfolio holdings disclosure policy and procedures annually to determine their effectiveness and to adopt changes as necessary.

Neither the Fund nor any affiliate may receive any compensation or consideration for the disclosure of the portfolio holdings, although usual and customary compensation may be paid in connection with a service delivered, such as custodial services.

Pursuant to the Custodian Agreement between the Trust and the Custodian, each Fund employs the Custodian as the custodian of its assets. The Custodian creates and maintains all records relating to each Fund's activities and supplies each Fund with a daily tabulation of the securities it owns and that are held by the Custodian. Pursuant to the Custodian Agreement, the Custodian agrees it receives reasonable compensation for its services and expenses as custodian.

Following authorization by an officer of the Trust, the legal and compliance department of the Adviser or the Funds' chief compliance officer must approve the disclosure of the Fund's portfolio holdings to ensure that the disclosure is in the best interest of Fund Shareholders and that no conflict of interest exists between the Shareholders and the Funds or the Adviser.

HOW TO BUY AND REDEEM SHARES

Shares of the Funds are sold in a continuous offering without a sales charge and may be purchased on any business day through authorized dealers, including the Distributor. Certain broker-dealers assist their clients in the purchase of Shares from the Distributor and charge a fee for this service in addition to a Fund's public offering price.

After an order is received by the Distributor, Shares will be credited to a shareholder's account at the net asset value next computed after an order is received. See "Determination of Net Asset Value." Initial purchases must be at least \$200; however, this requirement may be waived by the Funds for plans involving continuing investments. There is no minimum for subsequent purchases of Shares. No stock certificates representing Shares purchased will be issued. The Funds' management reserves the right to reject any purchase orders if, in its opinion, it is in a Fund's best interest to do so. See "Buying and Selling Shares" in the prospectus.

Generally, Shareholders may redeem their Shares by sending a written request, signed by the record owner(s), to the Fund at the following address:

Commonwealth International Series Trust
[Name of Fund]
c/o Ultimus Fund Solutions, LLC
P.O. Box 46707
Cincinnati, Ohio 45246-0707

In addition, certain expedited redemption methods are available. Accounts having a balance of less than \$200 may be redeemed by a Fund in its sole discretion. (See "Buying and Selling Shares" in the prospectus.)

Redemptions in Kind

Although the Funds generally intend to pay redemption proceeds solely in cash, the Funds reserve the right to determine, in their sole discretion, whether to satisfy redemption requests by making payment in securities or other property (known as a redemption in kind). For instance, a Fund may make a redemption in kind if a cash redemption would disrupt its operations or performance. Securities that will be delivered as payment in redemptions in kind will be valued using the same methodologies that the Fund typically utilizes in valuing such securities. Shareholders receiving such securities are likely to incur transaction and brokerage costs on their subsequent sales of such securities, and the securities may increase or decrease in value until the shareholder sells them. The Trust, on behalf of the Funds, has made an election under Rule 18f-1 under the 1940 Act (a "Rule 18f-1 Election"), and therefore, the Trust, on behalf of a Fund, is obligated to redeem for cash all shares presented to such Fund for redemption by any one shareholder in an amount up to the lesser of \$250,000 or 1% of that Fund's net assets in any 90-day period. The Rule 18f-1 Election is irrevocable while Rule 18f-1 under the 1940 Act is in effect unless the SEC by order permits withdrawal of such Rule 18f-1 Election.

In any case where a distributing Fund determines to distribute redemption proceeds on an in-kind basis (other than in a case where that determination will apply to a class of shareholders or to all shareholders), the Fund will notify the redeeming shareholder as soon as reasonably practicable after making that determination. In a case where a distributing Fund determines to distribute redemption proceeds on an in-kind basis to a class of shareholders or to all shareholders, the Fund will take reasonable steps to provide public notice of such determination as soon as reasonably practicable after making that determination.

The Trustees, including a majority of the Independent Trustees, shall review no less frequently than quarterly all such redemption-in-kind transactions occurring in the previous quarter to determine whether each transaction complied with the Funds' written policies and procedures, and the redemption was in the best interest of the redeeming Fund.

The redeeming Fund shall maintain and preserve for a period of not less than six years from the end of the fiscal year in which the redemption in kind occurs, the first two years in an easily accessible place, a copy of the Funds' redemption in kind policy, as well as other records for each such redemption setting forth the identity of the redeeming shareholder, a description of the composition of the Fund's portfolio immediately prior to the distribution, a description of each security distributed in-kind, the terms of the in-kind distribution; and the information or materials upon which the valuation as made.

DETERMINATION OF NET ASSET VALUE

The purchase and redemption price of the Shares of each Fund is each Fund's Net Asset Value ("NAV") per Share determined after your order is received by the Fund. Unless a redemption fee is applied, the Fund pays you the full Share price when you sell Shares. The Funds impose a redemption fee on sales of Shares held fourteen (14) calendar days or less. See the "Redemption Fees" section for more information. In the case of Shares purchased or sold through intermediaries, such intermediary may charge fees that are in addition to those described in this prospectus.

The NAV of the Fund is determined once daily, normally at the close of business of the New York Stock Exchange ("NYSE"), generally 4:00 p.m. Eastern time, and reflects the fair value of the Fund's aggregate assets less its liabilities. On occasion, the NYSE closes before 4:00 p.m. Eastern time. When that happens, purchase orders received after the NYSE closes will be effective the following business day. Assets and liabilities denominated in foreign currencies are translated into U.S. currency using an exchange rate obtained from an independent third party. With respect to securities that are primarily listed on foreign exchanges, the value of the Fund's portfolio securities may change on days when you will not be able to purchase or sell your Shares.

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 the last mean 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. If the Funds determine 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. These procedures generally provide for using prices provided by an independent fair value service.

Debt securities are priced either by using a market quotation or an independent pricing service. The pricing service may use a pricing model.

With respect to any portion of a Fund's assets that is invested in one or more open-end investment management companies that are registered under the 1940 Act, the Fund's net asset value is calculated based upon the net asset values of the registered open-end management investment companies in which the Fund invests. These funds' prospectuses explain the circumstances under which the Funds may use fair value pricing and the effects of using fair value pricing.

Fair Value Pricing. The assets of the Funds are valued at fair value as determined in good faith by or under the direction of the Board of Trustees. The Board of Trustees has delegated the responsibility of making fair value determinations to the Adviser, subject to the Funds' pricing policies. When pricing determinations are made, when no market quotations are available or when market quotations have become unreliable, the prices of securities used by a Fund to calculate its NAV may differ from quoted or published prices for the same securities. All fair value determinations are made subject to the Board's oversight.

Events affecting the value of foreign securities or instruments occur between the time at which they are determined and the close of trading on the NYSE. The Funds have instituted a policy whereby the value of certain equity securities listed or traded on foreign security exchanges may be valued by an independent fair value pricing service on any day when certain conditions are met. The Australia/New Zealand Fund, Africa Fund and Japan Fund have retained an independent fair value pricing service to assist in the fair valuing of these foreign securities. The service utilizes statistical data based on historical performance of securities, markets, and other data in developing factors used to estimate a fair value. In the Australia/New Zealand Fund and Japan Fund, the measure is based on a comparison between the S&P 500® Futures Index at the time of Tokyo market close to the S&P 500® Futures Index at the time of the New York market close. In the Africa Fund, the measure is based on a comparison between the S&P 500® Futures Index at the time of London market close to the S&P 500® Futures Index at the time of the New York market close.

Redemption Fees. A short-term trading redemption fee will be imposed (subject to limited exceptions described herein) on any Fund Shares that are sold (by redemption, whether voluntary or involuntary, or exchange) within fourteen (14) calendar days of their purchase. This redemption fee will equal 2.00% of the amount sold. Shares held for the longest period of time will be treated as being sold first and Shares held for the shortest period of time as being sold last. This fee is calculated on the value of the Shares being sold and will be collected (subject to limited exceptions described herein) by deduction from the sale proceeds or, if assessed after the sale transaction, by billing you.

Unlike a sales charge or load paid to a broker or fund management company, this redemption fee is paid to the Fund. The fee is paid to the Fund to offset costs associated with short-term trading, such as portfolio transaction and administrative costs. Based on the frequency of redemption fees assessed against your account in the Fund and/or in your other Funds' accounts, the Adviser or transfer

agent may, in its sole discretion, determine that your trading activity is detrimental to the Funds, as described in the Funds' "Abusive Trading Policy" section, and elect to reject or limit the amount, number, frequency or method available to you for requesting future (i) purchases into Funds and/or (ii) exchanges or redemptions out of the Funds.

Redemptions Through Financial Intermediaries. As an investor in the Funds, you are subject to the 2.00% short-term trading redemption fee whether you are investing directly through the Distributor or you are investing in the Fund through a financial intermediary such as a broker-dealer, a bank, an insurance company separate account, an investment Adviser, or an administrator or trustee of an IRS recognized tax-deferred savings plan such as a 401(k) retirement plan or a 529 college savings plan that maintains an omnibus account with the Fund for trading on behalf of its customers or Participants.

Waiver/Exceptions/Changes. The Funds will waive the fee on redemptions of: (i) Shares acquired by reinvestment of dividends or other distributions of the Funds; (ii) Shares held in an account of certain qualified retirement plans; and (iii) in special circumstances, if a Fund determines that imposition of the fee would be inequitable or not in the best interests of its Shareholders.

Limitations on Collection. The Funds may have limitations in their ability to assess or collect the redemption fee on all Shares redeemed by Fund investors serviced by financial intermediaries on behalf of their customers. There are no assurances that the Funds will successfully identify all Shareholders of intermediaries or that intermediaries will properly assess redemption fees. For example, where a financial intermediary is not able or willing to determine if the redemption fee applies and/or is not able to assess or collect the fee, or omits to collect the fee at the time of redemption, the Funds may not be able to recover the redemption fees. Further, if Fund Shares are redeemed by a financial intermediary at the direction of its customer(s), the Funds may not know: (1) whether a redemption fee is applicable; and/or (2) the identity of the customer who should pay the redemption fee.

TAXES

The following is a brief and general summary (and is not intended as a substitute for careful tax planning) of certain material federal tax considerations concerning each Fund and the purchase, ownership, and disposition of Shares and does not purport to be complete or to deal with all aspects of local, state, foreign or federal taxation that may be relevant to Shareholders in light of their particular circumstances. The discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), the Treasury Regulations promulgated thereunder, court decisions, published positions of the Internal Revenue Service (the "IRS"), and other applicable authorities -- all as in effect on the date hereof and all of which are subject to change or differing interpretations (possibly with retroactive effect) -- and is limited to U.S. persons who hold Shares as capital assets for federal income tax purposes (generally, assets held for investment). No assurance can be given that changes in existing laws or regulations or their interpretation will not occur after the date of this SAI or that any such future guidance or interpretation will not be applied retroactively.

The tax matters relating to each Fund are complex and are subject to varying interpretations. This summary is not tax advice and does not address all of the federal income tax consequences that may be relevant to a particular Shareholder or to Shareholders who may be subject to special treatment under the Code. No ruling has been or will be obtained from the IRS regarding any matter relating to the Shares, and no assurance can be given that the IRS would not assert a position contrary to any of the tax consequences described below.

The following discussion necessarily condenses or eliminates many details that might adversely affect some Shareholders significantly and does not address the tax issues that may be important to certain types of Shareholders who are subject to special tax treatment such as foreigners and tax-exempt entities. Accordingly, each prospective investor must consult with and rely solely on its, his or her professional tax advisers with respect to the tax results of its, his or her investment in a Fund. Except as otherwise specifically noted, this general discussion does not discuss aspects of foreign, state or local taxation. In addition, no attempt is made to address tax concerns applicable to an investor with a special tax status such as a financial institution, real estate investment trust, ("REIT"), insurance company, regulated investment company ("RIC"), individual retirement account, other tax-exempt entity, dealer in securities or non-U.S. investor. Furthermore, this discussion does not reflect possible application of the alternative minimum tax ("AMT"). Unless otherwise noted, this discussion assumes Shares of each Fund are held by U.S. Shareholders and that such Shares are held as capital assets.

Prospective investors should consult their own tax advisers with regard to the federal tax consequences of the purchase, ownership and disposition of Shares, as well as the tax consequences arising under the laws of any local, state, foreign country or other taxing jurisdiction. No representation is made as to the tax consequences of the operation of any Fund.

Federal tax laws and their application to the Funds and shareholders are subject to ongoing change. At this stage, though, it is impossible to give you any meaningful guidance regarding how such changes might be implemented and how such changes might affect you and the Funds.

U.S. Shareholder. A beneficial owner of Shares of a Fund is considered a U.S. Shareholder for U.S. federal income tax purposes the Shareholder is:

- a citizen or individual resident of the United States (including certain former citizens and former long-term residents);
- a domestic corporation or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions or the trust has made a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

A beneficial owner of Shares of a Fund is considered a “Non-U.S. Shareholder” if that owners is an individual, corporation, trust or estate and is not a U.S. Shareholder. If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) holds Shares of a Fund, the tax treatment of a partner in the partnership generally depends upon the status of the partner and the activities of the partnership. A prospective Shareholder who is a partner of a partnership holding Shares should consult its tax advisers with respect to the purchase, ownership and disposition of its Shares.

Election to Be Taxed as a RIC. Each Fund intends to qualify and remain qualified as a RIC under Subchapter M of the Code. There can be no assurance that it actually will so qualify. To so qualify, each Fund must satisfy certain requirements regarding its source of income, diversification of assets and distribution of earnings that are discussed further below.

Taxation as a RIC. Each Fund will qualify as a RIC if, among other things, it meets the source-of-income and the asset-diversification requirements. With respect to the source-of-income requirement, each Fund must derive in each taxable year at least 90% of its gross income (including tax-exempt interest) from (a) dividends, interest, payments with respect to certain securities loans, gains from the sale or other disposition of stock, securities or foreign currencies, or other income (including but not limited to gains from options, futures and forward contracts) derived with respect to its business of investing in such Shares, securities or currencies, and (b) net income derived from an interest in a “qualified publicly traded partnership.” A “qualified publicly traded partnership” is generally defined as a publicly traded partnership under Section 7704 of the Code, which is generally a partnership the interests in which are “traded on an established securities market” or are “readily tradable on a secondary market (or the substantial equivalent thereof)”. However, for these purposes, a qualified publicly traded partnership does not include a publicly traded partnership if 90% or more of its income is described in (i) above.

If a RIC fails this 90% income test and, such failure is inadvertent due to reasonable cause and not willful neglect, such RIC is only required to pay tax in the amount of shortfall to the amount that would have satisfied the 90% income test.

With respect to the asset-diversification requirement, each Fund must diversify its holdings so that, at the end of each quarter of each taxable year (a) at least 50% of the value of each Fund’s total assets is represented by cash and cash items, U.S. government securities, the securities of other RICs and other securities, if such other securities of any one issuer do not represent more than 5% of the value of each Fund’s total assets or more than 10% of the outstanding voting securities of such issuer, and (b) not more than 25% of the value of each Fund’s total assets is invested in the securities other than U.S. government securities or the securities of other RICs of (a) one issuer, (b) two or more issuers that are controlled by each Fund and that are engaged in the same, similar or related trades or businesses, or (c) one or more qualified publicly traded partnerships.

If a RIC fails this asset-diversification test, such RIC, in addition to other cure provisions previously permitted, a 6-month period to correct any failure without incurring a penalty if such failure is “de minimis.”

Similarly, if a RIC fails this asset-diversification test and the failure is not de minimis, a RIC can cure failure if: (a) the RIC files with the Treasury Department a description of each asset that causes the RIC to fail the diversification tests; (b) the failure is due to reasonable cause and not willful neglect; and (c) the failure is cured within six months (or such other period specified by the Treasury). In such cases, a tax is imposed on the RIC equal to the greater of: (a) \$50,000 or (b) an amount determined by multiplying the highest rate of corporate tax (currently 21%) by the amount of net income generated during the period of diversification test failure by the assets that caused the RIC to fail the diversification test.

If a Fund qualifies as a RIC and distributes to its Shareholders, for each taxable year, at least 90% of the sum of (a) its “investment company taxable income” as that term is defined in the Code (which includes, among other things, dividends, taxable interest, the excess of any net short-term capital gains over net long-term capital losses and certain net foreign exchange gains as reduced by certain deductible expenses) without regard to the deduction for dividends paid, and (b) the excess of its gross tax-exempt interest, if any, over certain deductions attributable to such interest that are otherwise disallowed, such Fund will be relieved of U.S. federal income tax on any income of such Fund, including long-term capital gains, distributed to Shareholders. However, any ordinary income or capital gain retained by such Fund will be subject to U.S. federal income tax at regular corporate federal income tax rates (currently at a maximum rate of 21%). Each Fund intends to distribute at least annually all or substantially all of its investment company taxable income, net tax-exempt interest, and net capital gain.

A RIC generally may carry forward net capital losses indefinitely and allows losses to retain their original character (as short or as long-term). For net capital losses recognized prior to 2011, such losses are permitted to be carried forward up to 8 years and are characterized as short-term. During the fiscal year ended October 31, 2019, the Japan Fund utilized \$729 of its capital loss carryforwards. As of October 31, 2019, the Global Fund had \$9,063 of qualified late-year ordinary losses, which were deferred until fiscal year 2019 for tax purposes. Net late-year losses incurred after December 31 and within the taxable year are deemed to arise on the first day of the Funds’ next taxable year. As of October 31, 2019, the following Funds had net capital loss carryforwards which are available to offset future net capital gains, if any:

	Africa Fund		Global Fund	
	Short-term	Long-term	Short-term	Long-term
For losses expiring October 31,				
Non-expiring	\$10,977	\$371,159	\$74,347	\$155,220

Each Fund intends to distribute all realized capital gains, if any, at least annually. If, however, a Fund were to retain any net capital gain, such Fund may designate the retained amount as undistributed capital gains in a notice to Shareholders who, if subject to U.S. federal income tax on long-term capital gains, (a) will be required to include in income as long-term capital gain, their proportionate Shares of such undistributed amount, and (b) will be entitled to credit their proportionate Shares of the federal income tax paid by each Fund on the undistributed amount against their U.S. federal income tax liabilities, if any, and to claim refunds to the extent the credit exceeds such liabilities. If such an event occurs, the tax basis of Shares owned by a Shareholder of the applicable Fund will, for U.S. federal income tax purposes, generally be increased by the difference between the amount of undistributed net capital gain included in the Shareholder’s gross income and the tax deemed paid by the Shareholders.

If a Fund is unable to satisfy the 90% distribution requirement or otherwise fails to qualify as a RIC in any year, it will be subject to corporate level income tax on all of its income and gain, regardless of whether or not such income was distributed. Distributions to Shareholders of such income and gain will not be deductible by such Fund in computing its taxable income. In such event, such Fund’s distributions, to the extent derived from such Fund’s current or accumulated earnings and profits, would constitute ordinary dividends, which would generally be eligible for the dividends received deduction available to corporate Shareholders, and non-corporate Shareholders would generally be able to treat such distributions as “qualified dividend income” eligible for reduced rates of U.S. federal income taxation provided in each case that certain holding period and other requirements are satisfied. Distributions in excess of such Fund’s current and accumulated earnings and profits would be treated first as a return of capital to the extent of the Shareholders’ tax basis in their Shares, and any remaining distributions would be treated as a capital gain. To qualify as a RIC in a subsequent taxable year, such Fund would be required to satisfy the source-of-income, the asset diversification, and the annual distribution requirements for that year and dispose of any earnings and profits from any year in which such Fund failed to qualify for tax treatment as a RIC. Subject to a limited exception applicable to RICs that qualified as such under the Code for at least one year prior to disqualification and that re-qualify as a RIC no later than the second year following the non-qualifying year, such Fund would be subject to tax on any unrealized built-in gains in the assets held by it during the period in which such Fund failed to qualify for tax treatment as a RIC that are recognized within the subsequent 10 years, unless such Fund made a special election to pay corporate-level tax on such built-in gain at the time of its re-qualification as a RIC. The remainder of this discussion assumes that each Fund qualifies as a RIC.

Each Fund will generally be subject to a nondeductible 4% federal excise tax on the portion of its undistributed ordinary income with respect to each calendar year and undistributed capital gains if it fails to meet certain distribution requirements with respect to the one-year period ending on October 31 in that calendar year. In order to avoid the 4% federal excise tax, the required minimum distribution is generally equal to the sum of (i) 98% of each Fund’s ordinary income (computed on a calendar year basis), (ii) 98.2% of each Fund’s capital gain net income (generally computed for the one-year period ending on October 31) and (iii) any income realized,

but not distributed, and on which each Fund paid no federal income tax in preceding years. Each Fund generally intends to make distributions in a timely manner in an amount at least equal to the required minimum distribution and therefore, under normal market conditions, does not expect to be subject to this excise tax.

Each Fund may be required to recognize taxable income in circumstances in which it does not receive cash. For example, if a Fund holds debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments with payment in kind interest or, in certain cases, with increasing interest rates or that are issued with warrants), such Fund must include in income each year a portion of the original issue discount that accrues over the life of the obligation regardless of whether cash representing such income is received by such Fund in the same taxable year. Because any original issue discount accrued will be included in each Fund's "investment company taxable income" (discussed below) for the year of accrual, a Fund may be required to make a distribution to its Shareholders to satisfy the distribution requirement, even though it will not have received an amount of cash that corresponds with the income earned.

Gain or loss realized by a Fund from the sale or exchange of warrants acquired by such Fund as well as any loss attributable to the lapse of such warrants generally will be treated as capital gain or loss. Such gain or loss generally will be long-term or short-term, depending on how long such Fund held a particular warrant. Upon the exercise of a warrant acquired by such Fund, such Fund's tax basis in the stock purchased under the warrant will equal the sum of the amount paid for the warrant plus the strike price paid on the exercise of the warrant.

As a RIC, a Fund will be subject to the AMT, but any items that are treated differently for AMT purposes must be apportioned between the Fund and its Shareholders and this may affect the Shareholders' AMT liabilities. Each Fund intends in general to apportion these items in the same proportion that dividends paid to each Shareholder bear to the applicable Fund's taxable income, determined without regard to the dividends paid deduction.

Taxation of U.S. Shareholders. Distributions paid to U.S. shareholders by the Fund from its investment company taxable income (which is, generally, the Fund's ordinary income plus net realized short-term capital gains in excess of net realized long-term capital losses) are generally taxable to U.S. shareholders as ordinary income to the extent of the Fund's earnings and profits, whether paid in cash or reinvested in additional shares. Such distributions (if designated by the Fund) may qualify (a) for the dividends received deduction in the case of corporate shareholders under Section 243 of the Code to the extent that the Fund's income consists of dividend income from U.S. corporations, excluding distributions from tax-exempt organizations, exempt farmers' cooperatives or real estate investment trusts, or (b) in the case of individual shareholders as qualified dividend income eligible to be taxed at reduced rates under Section 1(h)(11) of the Code (which provides for a maximum 20% rate) to the extent that the Fund receives qualified dividend income, and provided in each case certain holding period and other requirements are met, as discussed below. Qualified dividend income is, in general, dividend income from taxable domestic corporations and qualified foreign corporations (e.g., generally, foreign corporations incorporated in a possession of the United States or in certain countries with a qualified comprehensive income tax treaty with the United States, or the stock with respect to which such dividend is paid is readily tradable on an established securities market in the United States). A qualified foreign corporation generally excludes any foreign corporation, which for the taxable year of the corporation in which the dividend was paid, or the preceding taxable year, is a passive foreign investment company. Distributions made to a U.S. shareholder from an excess of net long-term capital gains over net short-term capital losses ("capital gain dividends"), including capital gain dividends credited to such shareholder but retained by the Fund, are taxable to such shareholder as long-term capital gain if they have been properly designated by the Fund, regardless of the length of time such shareholder owned the shares of the Fund. The maximum tax rate on capital gain dividends received by individuals currently is 20%. Distributions in excess of the Fund's earnings and profits will be treated by the U.S. shareholder, first, as a tax-free return of capital, which is applied against and will reduce the adjusted tax basis of the U.S. shareholder's shares and, after such adjusted tax basis is reduced to zero, will constitute capital gain to the U.S. shareholder (assuming the shares are held as a capital asset). Under current law, the maximum rate on long-term capital gains is 20%. The Fund is not required to provide written notice designating the amount of any qualified dividend income or capital gain dividends and other distributions. The Form 1099 will instead serve this notice purpose.

As a RIC, each Fund will be subject to the AMT, but any items that are treated differently for AMT purposes must be apportioned between such Fund and the Shareholders and this may affect the Shareholders' AMT liabilities. Although Treasury Regulations explaining the precise method of apportionment have not yet been issued by the IRS, such Fund intends in general to apportion these items in the same proportion that dividends paid to each Shareholder bear to such Fund's taxable income (determined without regard to the dividends paid deduction), unless such Fund determines that a different method for a particular item is warranted under the circumstances.

For purpose of determining (a) whether the annual distribution requirement is satisfied for any year, and (b) the amount of capital gain dividends paid for that year, each Fund may, under certain circumstances, elect to treat a dividend that is paid during the following taxable year as if it had been paid during the taxable year in question. If a Fund makes such an election, the U.S. Shareholder will still be treated as receiving the dividend in the taxable year in which the distribution is made. However, any dividend declared by such Fund in October, November or December of any calendar year, payable to Shareholders of record on a specified date in such a month and actually paid during January of the following year, will be treated as if it had been received by the U.S. Shareholders on December 31 of the year in which the dividend was declared.

Distributions made to a U.S. Shareholder from an excess of net long-term capital gains over net short-term capital losses (“capital gain dividends”), including capital gain dividends credited to such Shareholder but retained by the applicable Fund, are taxable to such Shareholder as long-term capital gain if they have been properly designated by such Fund, regardless of the length of time such Shareholder owned the Shares of such Fund. Distributions in excess of such Fund’s earnings and profits will be treated by the U.S. Shareholder, first, as a tax-free return of capital, which is applied against and will reduce the adjusted tax basis of the U.S. Shareholder’s Shares and, after such adjusted tax basis is reduced to zero, will constitute capital gain to the U.S. Shareholder (assuming the Shares are held as a capital asset). The maximum rate on long-term capital gains is 20%, and all ordinary dividends (including amounts treated as qualified dividends under the law currently in effect) are taxed as ordinary income.

A Fund distribution will be treated as paid on December 31 of a calendar year if it is declared by such Fund in October, November or December of that year with a record date in such a month and is paid by such Fund during January of the following year. Such a distribution will be taxable to Shareholders for the calendar year in which the distribution is declared, rather than the calendar year in which the distribution is received. For purpose of determining (a) whether the annual distribution requirement is satisfied for any year, and (b) the amount of capital gain dividends paid for that year, such Fund may, under certain circumstances, elect to treat a dividend that is paid during the following taxable year as if it had been paid during the taxable year in question. If such Fund makes such an election, the U.S. Shareholder will still be treated as receiving the dividend in the taxable year in which the distribution is made.

If the net asset value of Shares is reduced below a Shareholder's cost as a result of a distribution by a Fund, that distribution generally will be taxable even though it represents a return of invested capital.

Information on the Amount and Tax Character of Distributions. Each Fund will inform you of the amount and character of your distributions at the time they are paid, and will advise you of the tax status of such distributions for federal income tax purposes shortly after the close of each calendar year. If you have not held Shares for a full year, a Fund may designate and distribute to you, as ordinary income, qualified dividends or capital gains, and in the case of non-U.S. Shareholders, such Fund may further designate and distribute as interest-related dividends and short-term capital gain dividends, a percentage of income that is not equal to the actual amount of such income earned during the period of your investment in such Fund.

Qualified Dividend Income for Individuals. For individual Shareholders, a portion of the dividends paid by a Fund may be qualified dividend income, which is eligible for taxation at long-term capital gain rates. This reduced rate generally is available for dividends paid by a Fund out of dividends earned on such Fund’s investment in stocks of domestic corporations and qualified foreign corporations (generally, foreign corporations incorporated in a possession of the United States or in certain countries with a qualified comprehensive income tax treaty with the United States, or the stock with respect to which such dividend is paid is readily tradable on an established securities market in the United States). A qualified foreign corporation generally excludes any foreign corporation, which for the taxable year of the corporation in which the dividend was paid, or the preceding taxable year, is a passive foreign investment company.

Each Fund and each Shareholder must meet certain holding period requirements to qualify Fund dividends for this treatment. Specifically, each Fund must hold the stock for at least 61 days during the 121-day period beginning 60 days before the stock becomes ex-dividend. Similarly, investors must hold their Shares for at least 61 days during the 121-day period beginning 60 days before each Fund distribution goes ex-dividend. The ex-dividend date is the first date following the declaration of a dividend on which the purchaser of stock is not entitled to receive the dividend payment. When counting the number of days a Shareholder holds its, his or her Shares, include the day such Shareholder sold its, his or her Shares but not the day such Shareholder acquired such Shares.

While the income received in the form of a qualified dividend is taxed at the same rates as long-term capital gains, such income will not be considered as a long-term capital gain for other federal income tax purposes. For example, you will not be allowed to offset your long-term capital losses against qualified dividend income on your federal income tax return. Any qualified dividend income that you elect to be taxed at these reduced rates also cannot be used as investment income in determining your allowable investment interest

expense. For other limitations on the amount of or use of qualified dividend income on your income tax return, please contact your personal tax adviser.

After the close of its fiscal year, each Fund will designate the portion of its ordinary dividend income that meets the definition of qualified dividend income taxable at reduced rates. If 95% or more of a Fund's income is from qualified sources, it will be allowed to designate 100% of its ordinary income distributions as qualified dividend income.

Dividends-Received Deduction for Corporations. For corporate Shareholders, a portion of the dividends paid by a Fund may qualify for the dividends-received deduction. The portion of dividends paid by such Fund that so qualifies will be designated each year in a notice mailed to such Fund's Shareholders, and cannot exceed the gross amount of dividends received by such Fund from domestic (U.S.) corporations that would have qualified for the dividends-received deduction in the hands of such Fund if such Fund was a regular corporation.

The availability of the dividends-received deduction is subject to certain holding period and debt financing restrictions imposed under the Code on the corporation claiming the deduction. The amount that a Fund may designate as eligible for the dividends-received deduction will be reduced or eliminated if the Shares on which the dividends earned by such Fund were debt-financed or held by such Fund for less than a minimum period of time, generally 46 days during a 91-day period beginning 45 days before the stock becomes ex-dividend. Similarly, if any Shares are debt-financed or held by you for less than a 46-day period then the dividends-received deduction for Fund dividends on Shares may also be reduced or eliminated. Even if designated as dividends eligible for the dividends-received deduction, all dividends (including any deducted portion) must be included in your alternative minimum taxable income calculation.

Dispositions of Shares. Sales and other dispositions of the Shares of a Fund are generally taxable events. U.S. Shareholders should consult their own tax adviser with reference to their individual circumstances to determine whether any particular transaction in the Shares of such Fund is properly treated as a sale or exchange for federal income tax purposes, as the following discussion assumes, and the tax treatment of any gains or losses recognized in such transactions.

The sale or other disposition of Shares of a Fund will generally result in capital gain or loss to the Shareholder equal to the difference between the amount realized and his adjusted tax basis in the Shares sold or exchanged, and will be long-term capital gain or loss if the Shares have been held for more than one year at the time of sale. Any loss upon the sale or exchange of Shares held for six months or less will be treated as long-term capital loss to the extent of any capital gain dividends received (including amounts credited as an undistributed capital gain dividend) by such Shareholder with respect to such Shares. Any loss realized on a sale or exchange of Shares will be disallowed to the extent the Shares disposed of are replaced (including through reinvestment of distributions) with substantially identical Shares within a period of 61 days, beginning 30 days before and ending 30 days after the Shares are disposed of. In such a case, the basis in the Shares acquired will be adjusted to reflect the disallowed loss. If a Shareholder holds Shares for six months or less and during that period receives a distribution taxable to the Shareholder as long-term capital gain, any loss realized on the redemption or exchange of those Shares would be a long-term loss to the extent of that distribution.

Present law taxes both long-term and short-term capital gain of corporations at the rates applicable to ordinary income of corporations. For non-corporate taxpayers, short-term capital gain will currently be taxed at the rate applicable to ordinary income, currently a maximum of 37%, while long-term capital gain generally will be taxed at a maximum rate of 20%. Capital losses are subject to certain limitations.

Federal law requires that mutual fund companies report their shareholders' cost basis, gain/loss, and holding period to the Internal Revenue Service on each Fund's shareholders' Consolidated Form 1099s when "covered" securities are sold. Covered securities are any regulated investment company and/or dividend reinvestment plan shares acquired on or after January 1, 2012.

Each fund has chosen a standing (default) tax lot identification method for all shareholders. A tax lot identification method is the way the Fund will determine which specific shares are deemed to be sold when there are multiple purchases on different dates at differing net asset values, and the entire position is not sold at one time. The Fund's standing tax lot identification method is FIFO (first-in, first-out) which is the method covered shares will be reported on your Consolidated Form 1099 if you do not select a specific tax lot identification method. You may choose a method different than the Fund's standing method and will be able to do so at the time of your purchase or prior to the sale of Covered Shares. Please refer to the appropriate Internal Revenue Service regulations or consult your tax adviser with regard to your personal circumstances.

For those securities defined as "covered" under current Internal Revenue Service cost basis tax reporting regulations, the Funds are responsible for maintaining accurate cost basis and tax lot information for tax reporting purposes. The Funds are not responsible for

the reliability or accuracy of the information for those securities that are not "covered." The Fund and its service providers do not provide tax advice. You should consult independent sources, which may include a tax professional, with respect to any decisions you may make with respect to choosing a tax lot identification method.

Other Taxation. Distributions may be subject to state, local and foreign taxes, depending on each Shareholder's particular situation.

Certain U.S. shareholders, including individuals and estates and trusts, are subject to an additional 3.8% Medicare tax on all or a portion of their "net investment income," which should include dividends from the Fund and net gains from the disposition of shares of the Fund. U.S. shareholders are urged to consult their own tax advisers regarding the implications of the additional Medicare tax resulting from an investment in the Fund.

Retirement Accounts. Shares are available for purchase through certain retirement plans and accounts, including IRAs, Roth IRAs, SIMPLE IRAs and tax-sheltered annuities. Contributions to retirement plans are subject to specific eligibility and contribution limitations. Distributions from retirement plans and accounts generally are subject to ordinary income tax and, if withdrawn prior to age 59½, a 10% penalty. Furthermore, distributions from such plans and accounts generally must commence no later than April 1 of the year after the account owner reaches age 70½. There are exceptions to these rules depending on the type of plan or account and the individual's own circumstances. You should consult with your tax adviser regarding the income aspects of opening, maintaining and withdrawing amounts from retirement plans and accounts.

Taxation of Fund Operations

Hedging Transactions. The use of hedging strategies, such as writing (selling) and purchasing options and futures contracts and entering into forward contracts, involves complex rules that will determine for income tax purposes the amount, character and timing of recognition of the gains and losses each Fund realizes in connection therewith. Gains from the disposition of foreign currencies (except certain gains that may be excluded by future Treasury Regulations), and gains from options, futures and forward contracts each Fund derives with respect to its business of investing in securities or foreign currencies, will be treated as qualifying income under the income requirement.

Certain of each Fund's investment practices are subject to special and complex federal income tax provisions that may, among other things; (a) disallow, suspend or otherwise limit the allowance of certain losses or deductions; (b) convert lower taxed long-term capital gain to higher taxed short-term capital gain or ordinary income; (c) convert an ordinary loss or a deduction to a capital loss (the deductibility of which is more limited), (d) cause each Fund to recognize income or gain without a corresponding receipt of cash; (e) adversely affect the timing as to when a purchase or sale of securities is deemed to occur; and (f) adversely alter the characterization of certain complex financial transactions. Each Fund will monitor its transactions and may make certain tax elections to mitigate the effect of these rules and prevent its disqualification as a RIC.

Foreign Securities. Dividends and interest each Fund receives, and gains it realizes, may be subject to income, withholding or other taxes imposed by foreign countries and U.S. possessions that would reduce the total return on its securities. Tax treaties between certain countries and the United States may reduce or eliminate these taxes, however, and many foreign countries do not impose taxes on capital gains in respect of investments by foreign investors.

Each Fund may be subject to foreign withholding taxes on income from certain foreign securities. This, in turn, could reduce such Fund's distributions paid to the Shareholders. If more than 50% of a Fund's total assets at the end of a fiscal year is invested in foreign securities, such Fund may elect to pass through to the Shareholders their pro rata Share of foreign taxes paid by such Fund. If this election is made, such Fund may report more taxable income to the Shareholders than it actually distributes. The Shareholders will then be entitled either to deduct their Share of these taxes in computing their taxable income, or to claim a foreign tax credit for these taxes against their U.S. federal income tax (subject to limitations for certain Shareholders). Such Fund will provide the Shareholders with the information necessary to claim this deduction or credit on their personal income tax return if such Fund makes this election. A Shareholder's use of foreign dividends, designated by a Fund as qualified dividend income subject to taxation at long-term capital gain rates, may reduce the otherwise available foreign tax credits on its federal income tax return. Shareholders in these circumstances should talk with their personal tax advisers about their foreign tax credits and the procedures that they should follow to claim these credits on their personal income tax returns.

Each Fund may invest in the stock of "passive foreign investment companies" ("PFICs"). A PFIC is any foreign corporation (with certain exceptions) that, in general, meets either of the following tests: (1) at least 75% of its gross income for the taxable year is

passive or (2) an average of at least 50% of its assets produce, or are held for the production of, passive income. Under certain circumstances, if a Fund holds stock of a PFIC, it will be subject to federal income tax on a portion of any “excess distribution” it receives on the stock or of any gain on its disposition of the stock (collectively, “PFIC income”), plus interest thereon, even if it distributes the PFIC income as a taxable dividend to its Shareholders. The balance of the PFIC income will be included in such Fund's investment company taxable income and, accordingly, will not be taxable to it to the extent it distributes that income to its Shareholders. Fund distributions attributable to PFIC income will not be eligible for the 15% federal income tax rate on “qualified dividend income” mentioned in the Prospectus.

If a Fund invests in a PFIC and elects to treat the PFIC as a “qualified electing fund” (a “QEF”), then in lieu of such Fund's incurring the foregoing tax and interest obligation, it would be required to include in income each year its pro rata share of the QEF's annual ordinary earnings and net capital gain -- which such Fund most likely would have to distribute to satisfy the Distribution Requirement and avoid imposition of the Excise Tax -- even if such Fund did not receive those earnings and gain from the QEF. In most instances it will be very difficult, if not impossible, to make this election because of certain requirements thereof.

Each Fund may elect to “mark-to-market” any stock in a PFIC it owns at the end of its taxable year. “Marking-to-market,” in this context, means including in gross income for each taxable year (and treating as ordinary income) the excess, if any, of the fair market value of the stock over each Fund's adjusted basis therein as of the end of that year. Pursuant to the election, each Fund also may deduct (as an ordinary, not capital, loss) the excess, if any, of its adjusted basis in PFIC stock over the fair market value thereof as of the taxable year-end, but only to the extent of any net mark-to-market gains with respect to that stock each Fund included in income for prior taxable years under the election. Each Fund's adjusted basis in each PFIC's stock subject to the election would be adjusted to reflect the amounts of income included and deductions taken thereunder.

Investors should be aware that a Fund may not be able, at the time it acquires a foreign corporation's Shares, to ascertain whether the corporation is a PFIC and that a foreign corporation may become a PFIC after such Fund acquires Shares therein. While each Fund generally will seek to avoid investing in PFICs to avoid the tax consequences summarized above, there are no guarantees that it will be able to do so and it reserves the right to make such investments as a matter of its investment policy.

Under Section 988 of the Code, gains or losses (a) from the disposition of foreign currencies, including forward contracts; (b) except in certain circumstances, from options, futures and forward contracts on foreign currencies (and on financial instruments involving foreign currencies) and from notional principal contracts (e.g., swaps, caps, floors and collars) involving payments denominated in foreign currencies; (c) on the disposition of each foreign-currency-denominated debt security that are attributable to fluctuations in the value of the foreign currency between the dates of acquisition and disposition of the security; and (d) that are attributable to exchange rate fluctuations between the time a Fund accrues interest, dividends or other receivables or expenses or other liabilities denominated in a foreign currency and the time it actually collects the receivables or pays the liabilities, generally will be treated as ordinary income or loss. These gains or losses will increase or decrease the amount of such Fund's investment company taxable income to be distributed to its Shareholders as ordinary income, rather than increasing or decreasing the amount of its net capital gain. If such Fund's section 988 losses exceed other investment company taxable income during a taxable year, it would not be able to distribute any dividends, and any distributions made during that year before the losses were realized would be recharacterized as a return of capital to Shareholders, rather than as a dividend, thereby reducing each Shareholder's basis in his or her Shares.

Foreign Currency Transactions. The Fund's transactions in foreign currencies, foreign currency-denominated debt obligations and certain foreign currency options, futures contracts and forward contracts (and similar instruments) may give rise to ordinary income or loss to the extent such income or loss results from fluctuations in the value of the foreign currency concerned. Any such net gains could require a larger dividend toward the end of the calendar year. Any such net losses will generally reduce and potentially require the recharacterization of prior ordinary income distributions. Such ordinary income treatment may accelerate Fund distributions to shareholders and increase the distributions taxed to shareholders as ordinary income. Any net ordinary losses so created cannot be carried forward by the Fund to offset income or gains earned in subsequent taxable years.

Foreign Taxation. Income received by the Fund from sources within foreign countries may be subject to withholding and other taxes imposed by such countries. Tax conventions between certain countries and the U.S. may reduce or eliminate such taxes. The Fund does not expect to be eligible to pass through to shareholders a credit or deduction for such taxes.

Foreign Shareholders. Capital gain dividends are generally not subject to withholding of U.S. federal income tax. Absent a specific statutory exemption, dividends other than capital gain dividends paid by the Fund to a shareholder that is not a “U.S. person” within the meaning of the Internal Revenue Code (such shareholder, a “foreign shareholder”) are subject to withholding of U.S. federal income tax at a rate of 30% (or lower applicable treaty rate) even if they are funded by income or gains (such as portfolio interest, short-

term capital gains, or foreign-source dividend and interest income) that, if paid to a foreign person directly, would not be subject to withholding.

A regulated investment company generally is not required to withhold any amounts (i) with respect to distributions (other than distributions to a foreign person (a) that does not provide a satisfactory statement that the beneficial owner is not a U.S. person, (b) to the extent that the dividend is attributable to certain interest on an obligation if the foreign person is the issuer or is a 10% shareholder of the issuer, (c) that is within a foreign country that has inadequate information exchange with the United States, or (d) to the extent the dividend is attributable to interest paid by a person that is a related person of the foreign person and the foreign person is a controlled foreign corporation) from U.S.-source interest income of types similar to those not subject to U.S. federal income tax if earned directly by an individual foreign person, to the extent such distributions are properly reported as such by the Fund in a written notice to shareholders (“interest-related dividends”), and (ii) with respect to distributions (other than (a) distributions to an individual foreign person who is present in the United States for a period or periods aggregating 183 days or more during the year of the distribution and (b) distributions subject to special rules regarding the disposition of U.S. real property interests as described below) of net short-term capital gains in excess of net long-term capital losses to the extent such distributions are properly reported by the regulated investment company (“short-term capital gain dividends”). If the Fund invests in an underlying fund that pays such distributions to the Fund, such distributions retain their character as not subject to withholding if properly reported when paid by the Fund to foreign persons.

The Fund is permitted to report such part of its dividends as interest-related or short-term capital gain dividends as are eligible, but is not required to do so. These exemptions from withholding will not be available to foreign shareholders of Funds that do not currently report their dividends as interest-related or short-term capital gain dividends.

In the case of shares held through an intermediary, the intermediary may withhold even if the Fund reports all or a portion of a payment as an interest-related or short-term capital gain dividend to shareholders. Foreign persons should contact their intermediaries regarding the application of these rules to their accounts.

Under U.S. federal tax law, a beneficial holder of shares who is a foreign shareholder generally is not subject to U.S. federal income tax on gains (and is not allowed a deduction for losses) realized on the sale of shares of the Fund or on capital gain dividends unless (i) such gain or dividend is effectively connected with the conduct of a trade or business carried on by such holder within the United States, (ii) in the case of an individual holder, the holder is present in the United States for a period or periods aggregating 183 days or more during the year of the sale or the receipt of the capital gain dividend and certain other conditions are met, or (iii) the special rules relating to gain attributable to the sale or exchange of “U.S. real property interests” (“USRPIs”) apply to the foreign shareholder’s sale of shares of the Fund or to the capital gain dividend the foreign shareholder received (as described below).

Special rules would apply if the Fund were either a “U.S. real property holding corporation” (“USRPHC”) or would be a USRPHC but for the operation of certain exceptions to the definition thereof. Very generally, a USRPHC is a domestic corporation that holds USRPIs the fair market value of which equals or exceeds 50% of the sum of the fair market values of the corporation’s USRPIs, interests in real property located outside the United States, and other assets. USRPIs are generally defined as any interest in U.S. real property and any interest (other than solely as a creditor) in a USRPHC or former USRPHC.

If the Fund were a USRPHC or would be a USRPHC but for the exceptions referred to above, any distributions by the Fund to a foreign shareholder (including, in certain cases, distributions made by the Fund in redemption of its shares) attributable to gains realized by the Fund on the disposition of USRPIs or to distributions received by the Fund from a lower-tier regulated investment company or REIT that the Fund is required to treat as USRPI gain in its hands generally would be subject to U.S. tax withholding. In addition, such distributions could result in the foreign shareholder being required to file a U.S. tax return and pay tax on the distributions at regular U.S. federal income tax rates. The consequences to a foreign shareholder, including the rate of such withholding and character of such distributions (e.g., as ordinary income or USRPI gain), would vary depending upon the extent of the foreign shareholder’s current and past ownership of the Fund. This “look-through” USRPI treatment for distributions by the Fund, if it were either a USRPHC or would be a USRPHC but for the operation of the exceptions referred to above, to foreign shareholders applies only to those distributions that, in turn, are attributable to distributions received by the Fund from a lower-tier REIT, unless Congress enacts legislation providing otherwise.

In addition, if the Fund were a USRPHC or former USRPHC, it could be required to withhold U.S. tax on the proceeds of a share redemption by a greater-than-5% foreign shareholder, in which case such foreign shareholder generally would also be required to file U.S. tax returns and pay any additional taxes due in connection with the redemption.

Whether or not the Fund is characterized as a USRPHC will depend upon the nature and mix of the Fund's assets. The Fund does not expect to be a USRPHC. Foreign shareholders should consult their tax advisers concerning the application of these rules to their investment in the Fund.

If a beneficial holder of Fund shares who is a foreign shareholder has a trade or business in the United States, and the dividends are effectively connected with the beneficial holder's conduct of that trade or business, the dividend will be subject to U.S. federal net income taxation at regular income tax rates.

If a beneficial holder of Fund shares who is a foreign shareholder is eligible for the benefits of a tax treaty, any effectively connected income or gain will generally be subject to U.S. federal income tax on a net basis only if it is also attributable to a permanent establishment maintained by that beneficial holder in the United States.

To qualify for any exemptions from withholding described above or for lower withholding tax rates under income tax treaties, or to establish an exemption from backup withholding, a foreign shareholder must comply with special certification and filing requirements relating to its non-US status (including, in general, furnishing an IRS Form W-8BEN or substitute form). Foreign shareholders in the Fund should consult their tax advisers in this regard.

A beneficial holder of Fund shares who is a foreign shareholder may be subject to state and local tax and to the U.S. federal estate tax in addition to the federal tax on income referred to above.

Backup Withholding. Each Fund generally is required to withhold and remit to the U.S. Treasury a percentage of the taxable distributions and redemption proceeds paid to any individual shareholder who fails to properly furnish the Fund with a correct taxpayer identification number, who has under-reported dividend or interest income, or who fails to certify to the Fund that he or she is not subject to such withholding. The backup withholding tax rate is 24%.

Backup withholding is not an additional tax. Any amounts withheld may be credited against the shareholder's U.S. federal income tax liability, provided the appropriate information is furnished to the IRS.

Tax Shelter Reporting Regulations. Under U.S. Treasury regulations, if a shareholder recognizes a loss with respect to the Fund's shares of \$2 million or more for an individual shareholder or \$10 million or more for a corporate shareholder, the shareholder must file with the IRS a disclosure statement on Form 8886. Direct shareholders of portfolio securities are in many cases excepted from this reporting requirement, but under current guidance, shareholders of a regulated investment company are not excepted. Future guidance may extend the current exception from this reporting requirement to shareholders of most or all regulated investment companies. The fact that a loss is reportable under these regulations does not affect the legal determination of whether the taxpayer's treatment of the loss is proper. Shareholders should consult their tax advisers to determine the applicability of these regulations in light of their individual circumstances.

Shareholder Reporting Obligations With Respect to Foreign Financial Assets. Certain individuals (and, if provided in future guidance, certain domestic entities) must disclose annually their interests in "specified foreign financial assets" on IRS Form 8938, which must be attached to their U.S. federal income tax returns for taxable years beginning after March 18, 2010. The IRS has not yet released a copy of the Form 8938 and has suspended the requirement to attach Form 8938 for any taxable year for which an income tax return is filed before the release of Form 8938. Following Form 8938's release, individuals will be required to attach to their next income tax return required to be filed with the IRS a Form 8938 for each taxable year for which the filing of Form 8938 was suspended. Until the IRS provides more details regarding this reporting requirement, including in Form 8938 itself and related Treasury regulations, it remains unclear under what circumstances, if any, a shareholder's (indirect) interest in the Funds' "specified foreign financial assets," if any, will be required to be reported on this Form 8938.

Other Reporting and Withholding Requirements. Rules enacted in March 2010 require the reporting to the IRS of direct and indirect ownership of foreign financial accounts and foreign entities by U.S. persons. Failure to provide this required information can result in a 30% withholding tax on certain payments ("withholdable payments") made after December 31, 2012. Specifically, withholdable payments subject to this 30% withholding tax include payments of U.S.-source dividends and interest made on or after January 1, 2014, and payments of gross proceeds from the sale or other disposal of property that can produce U.S.-source dividends or interest made on or after January 1, 2015.

The IRS has issued only very preliminary guidance with respect to these new rules; their scope remains unclear and potentially subject to material change. Very generally, it is possible that distributions made by the Fund after the dates noted above (or such later

dates as may be provided in future guidance) to a shareholder, including a distribution in redemption of shares and a distribution of income or gains otherwise exempt from withholding under the rules applicable to non-U.S. shareholders described above (e.g., Capital Gain Dividends, Short-Term Capital Gain Dividends and interest-related dividends, as described above) will be subject to the new 30% withholding requirement. Payments to a foreign shareholder that is a “foreign financial institution” will generally be subject to withholding, unless such shareholder enters into a timely agreement with the IRS. Payments to shareholders that are U.S. persons or foreign individuals will generally not be subject to withholding, so long as such shareholders provide the Fund with such certifications or other documentation, including, to the extent required, with regard to such shareholders’ direct and indirect owners, as the Fund requires to comply with the new rules. Persons investing in the Fund through an intermediary should contact their intermediary regarding the application of the new reporting and withholding regime to their investments in the Fund.

Shareholders are urged to consult a tax adviser regarding this new reporting and withholding regime, in light of their particular circumstances.

The foregoing is a general and abbreviated summary of the provisions of the Code and the Treasury Regulations in effect as they directly govern the taxation of each Fund and its Shareholders. These provisions are subject to change by legislative and administrative action, and any such change may be retroactive. Shareholders are urged to consult their tax advisers regarding specific questions as to U.S. federal income, estate or gift taxes, or foreign, state, local taxes or other taxes.

CONTROL PERSONS AND PRINCIPAL HOLDERS OF SECURITIES

A principal shareholder is any person who owns (either of record or beneficially) 5% or more of the outstanding shares of a Fund. A control person is one who owns, either directly or indirectly, more than 25% of the voting securities of a Fund or acknowledges the existence of such control. As a controlling shareholder, each of these persons could control the outcome of any proposal submitted to the Shareholders for approval, including changes to the Funds’ fundamental policies or the terms of the management agreement with the Adviser. The following tables set forth information concerning such persons that, to the knowledge of the Trust’s Board of Trustees, owned, of record or beneficially, at least five percent of a Fund’s Shares as of February 3, 2020:

AUSTRALIA/NEW ZEALAND FUND		
Name and Address	Percent of Ownership	Nature of Ownership
National Financial Services Corp. 499 Washington Blvd. FL 5 Jersey City, NJ 07310	19.49%	Record
Ted L. Carelock/Ann B. Carelock 3429 Colgate Avenue Dallas, TX 75225	5.44%	Record
Charles Schwab & Co., Inc. 101 Montgomery Street San Francisco, CA 94104	15.32%	Record

AFRICA FUND

<u>Name and Address</u>	<u>Percent of Ownership</u>	<u>Nature of Ownership</u>
National Financial Services Corp. For the exclusive benefit of our customers 499 Washington Blvd., FL 5 Jersey City, New Jersey 07310	14.29%	Record
Charles Schwab & Co., Inc. 101 Montgomery Street San Francisco, CA 94104	11.81%	Record
Lynda L. Buck Trustee Lynda L. Buck Living Trust 2215 Collins Lane Lakeland, FL 33803	7.00%	Record
Ameritrade Inc. For the Exclusive Benefit of our Customers P.O. Box 2226 Omaha, NE 68103-2226	5.01%	Record

JAPAN FUND

<u>Name and Address</u>	<u>Percent of Ownership</u>	<u>Nature of Ownership</u>
National Financial Services Corp. 499 Washington Blvd. FL 5 Jersey City, New Jersey 07310	16.83%	Record
Mary M. Barnes and James E. Barnes Trustee Mary M. Barnes Revocable Trust 3211 E 61 st Place Tulsa, OK 74136	5.97%	Record
Rosemary Boyle IRA 221 Columbus Avenue, Unit 204 Boston, MA 02116	5.79%	Record
Lynda L. Buck Trustee Lynda L. Buck Living Trust 2215 Collins Drive Lakeland, FL 33803	6.93%	Record
Ted L. Carelock and Ann B. Carelock JTWROS 3429 Colgate Avenue Dallas, TX 75225	7.05%	Record
Charles Schwab Co Inc. 101 Montgomery St. Dept 122 San Francisco, CA 94104-4122	6.57%	Record

GLOBAL FUND

Name and Address	Percent of Ownership	Nature of Ownership
James & Mary Barnes Foundation Mary Barnes Trustee Lori Markes Trustee 3211 E 61 st Place Tulsa, OK 74136	12.76%	Record
Charles Schwab & Co., Inc. 101 Montgomery Street San Francisco, CA 94104	9.77%	Record
National Financial Services Group 499 Washington Blvd. FL 5 Jersey City, New Jersey 07310	10.88%	Record
Lynda L. Buck Trustee Lynda L. Buck Living Trust 2215 Collins Lane Lakeland, FL 33803	8.41%	Record

REAL ESTATE SECURITIES FUND

Name and Address	Percent of Ownership	Nature of Ownership
Lynda L. Buck Trustee Lynda L. Buck Living Trust 2215 Collins Lane Lakeland, FL 33803	10.14%	Record
Mary M. Barnes and James E. Barnes Trustees Mary M. Barnes Revocable Trust 3211 E 61 st Place Tulsa, OK 74136	7.43%	Record
Charles Schwab & Co., Inc. 101 Montgomery Street San Francisco, CA 94104	10.19%	Record
Jim & Mary Barnes Foundation Mary Barnes Trustee Lori Markes Trustee 3211 E 61 st Place Tulsa, OK 74136	5.98%	Record
National Financial Services Corp For the Exclusive Benefit of our Customers 499 Washington Blvd. FL 5 Jersey City, NJ 07310	14.44%	Record

As of February 3, 2020, the Trustees and Officers of the Trust combined owned less than 1% of the shares of the Australia/New Zealand Fund, Africa Fund, Japan Fund and Real Estate Securities Fund and combined owned approximately 4.47% of the shares of the Global Fund.

OTHER INFORMATION

Custody of Assets. All securities owned by each Fund and cash from the sale of securities in the Funds' investment portfolios are held by the Custodian, Fifth Third Bank, N.A., 38 Fountain Square, Cincinnati, Ohio 45263.

Shareholder Reports. Semi-annual reports are furnished to Shareholders, and annually the financial statements in such reports are audited by the independent registered public accounting firm.

Independent Registered Public Accounting Firm. BBD, LLP, 1835 Market Street, 3rd Floor, Philadelphia, PA 19103, the independent registered public accountants for the Funds, perform annual audits of each Fund's financial statements.

Legal Counsel. Practus, LLP, 11300 Tomahawk Creek Parkway, Suite 310, Leawood, Kansas 66211, is legal counsel to the Trust.

Transfer and Shareholder Servicing Agent. The Funds' transfer and shareholder servicing agent is Ultimus Fund Solutions, LLC, 225 Pictoria Drive, Suite 450, Cincinnati, Ohio 45246.

Chief Compliance Officer. William LeVay, serves as Chief Compliance Officer and plan manager under the Trust's business recovery plan.

APPENDIX A

COMMONWEALTH INTERNATIONAL SERIES TRUST

PROXY VOTING POLICIES AND PROCEDURES

REVIEWED AND APPROVED BY THE COMMONWEALTH INTERNATIONAL SERIES
TRUST
BOARD OF TRUSTEES March, 2013

I. Proxy Policies

The Fund's Advisor shall make the economic best interest of Fund's Shareholders its primary advisory consideration when voting proxies of the companies held in Fund accounts. The investment Advisor shall be expected to vote, as a rule, only on matters which clearly have an economic impact and then only when it is reasonably feasible to evaluate the proposal and cast an informed vote. If the Advisor votes, the Advisor generally shall vote against any actions that would, in the Advisor's opinion, reduce the rights or options of shareholders, reduce shareholder influence over the Board of Directors and management, reduce the alignment of interests between management and shareholders, or reduce the value of shareholders' investments. At the same time, the Funds believe in supporting the management of companies in which they invest and the Advisor will be expected to accord proper weight to the positions of a company's Board of Directors and the Advisor's portfolio managers that choose to invest in the companies.

A. Boards of Directors

A proxy, if cast, will normally support management nominees.

In general the Fund believes that, a board that has at least a majority of independent directors is integral to good corporate governance. Key Board committees, including audit, compensation and nominating committees, should be completely independent.

There are some nominations for directors that should result in votes being withheld. These instances include directors who are known to:

1. Enact egregious corporate governance policies or failed to replace management, as appropriate;
2. Have failed to act on takeover offers where the majority of the shareholders have tendered their shares; or
3. Ignore a shareholder proposal that is approved by a majority of the shares outstanding.

Votes in a contested election of directors will not be cast unless it is reasonably feasible to evaluate the nominees. They must be evaluated on a case-by-case basis, considering factors such as:

1. Long-term financial performance of any company attempting a takeover;
2. Management's track record;
3. Portfolio Manager's assessment;
4. Qualifications of director nominees (both slates);
5. Evaluation of what each slate is offering shareholders, as well as the likelihood that the proposed objectives and goals can be met; and/or
6. Background to the Proxy contest.

B. Independent Auditors

A company should limit its relationship with its auditors to the audit engagement and certain closely-related activities that do not, in the aggregate, raise an appearance of impaired independence. The Advisor will not vote or will support the reappointment of the company's auditors unless:

1. It is clear that the auditors will not be able to fulfill their function;
2. There is reason to believe the independent auditors have rendered an opinion that is neither accurate nor indicative of the company's financial position; or
3. The auditors have a significant issue or relationship with the issuer that compromises the auditors' independence.

C. Compensation Programs

Appropriately designed equity-based compensation plans, approved by shareholders, can be an effective way to align the long-term interests of shareholders and the interests of management, employees and directors. Plans should not substantially dilute shareholders' ownership interests in the company, provide participants with excessive awards or have objectionable structural features. The Advisor will generally vote against equity-based plans where the total dilution (including all equity-based plans) is excessive. If reasonably feasible to cast an informed vote:

1. The Advisor will generally support the use of employee stock purchase plans to increase company stock ownership by employees, provided that shares purchased under the plan are not acquired for materially less than fair market value.
2. The Advisor will vote for proposals to re-price options if there is a value-for value (rather than a share-for-share) exchange.

3. We will generally support the Board's discretion to determine and grant appropriate cash compensation and severance packages.

D. Corporate Matters

The Advisor will review management proposals relating to changes to capital structure, reincorporation, restructuring and mergers and acquisitions on a case-by-case basis, considering the impact of the changes on corporate governance and share-holder rights, anticipated financial and operating benefits, portfolio manager views, level of dilution, and a company's industry and performance in terms of shareholder returns. If reasonably feasible to cast an informed vote, the Advisor will be expected to generally vote for:

1. Acquisition proposals that Portfolio Managers believe, based on their review of the materials, will result in financial gain to the portfolio and merger proposals that have operating benefits, a fair offer price, favorable prospects for the combined companies and will not have a negative impact on corporate governance or shareholder rights.

2. Proposals to increase common share authorization for a stock split.

3. Proposals to institute open-market share repurchase plans

E. Shareholder Proposals

Shareholder proposals can be extremely complex, and the impact on share value can rarely be anticipated with any high degree of confidence. The Advisor shall generally support the Board's discretion regarding shareholder proposals and review shareholder proposals only if reasonably feasible and on a case-by-case basis, giving careful consideration to such factors as: the proposal's impact on the company's short-term and long-term share value, its effect on the company's reputation, the economic effect of the proposal, industry and regional norms applicable to the company, the company's overall corporate governance provisions, and the reasonableness of the request. If reasonably feasible to cast an informed vote, the Advisor shall be expected to generally vote for a proposal that is designed to protect or expand shareholder rights if the company's corporate governance standards indicate that such additional protections are warranted.

F. Proxy Voting Record

The Advisor is responsible for proxy voting on behalf of the Funds. On at least an annual basis the Advisor shall provide the Funds CCO a certification confirming proxies were voted in accordance with the policies and procedures disclosed in the Funds SAI. In addition, at a minimum, the Funds shall:

- file its complete proxy voting record with the SEC on August 31st on SEC Form N-PX annually.
- disclose in its statement of additional information the policies and procedures that it uses to vote proxies relating to portfolio securities.

- make available to shareholders, either on its website or upon request, the record of how the Trust voted proxies relating to portfolio securities.
- disclose in its annual and semi-annual reports to shareholders and in its registration statement the methods by which shareholders may obtain information about the Funds' proxy voting policies and procedures and the Funds' proxy voting record.

APPENDIX B

COMMONWEALTH INTERNATIONAL SERIES TRUST GOVERNANCE, NOMINATION AND COMPENSATION COMMITTEE CHARTER

1. Members. The Board of Trustees shall appoint a Governance, Nomination and Compensation Committee (GNC) of at least three members, consisting entirely of independent trustees of the Board, and shall designate one member as chairperson or delegate the authority to designate a chairperson to the GNC. Members of the GNC shall be appointed by the Board of Trustees upon the recommendation of a majority of the independent Trustees. “Independent trustees” are those trustees who are not interested persons of the Fund as that term is defined in Section 2(a)(19) of the Investment Company Act of 1940 and the rules promulgated thereunder.

2. Purposes, Duties and Responsibilities.

The purposes of the Governance, Nomination and Committee shall be to:

- (i) Represent and assist the Board of Trustees in discharging its responsibility to oversee the composition of the board;
- (ii) Assess whether it is in the best interest of the Funds’ shareholders to increase or decrease the number of trustees;
- (iii) Determine and assess the qualification of potential candidates, when it is determined that additional trustees are warranted, and when there is a vacancy of one or more trustees;
- (vi) Evaluate potential candidates and recommend to the board of trustees or shareholders a nominee to fill any such additional or vacant trustee positions;
- (vii) Review “best practices” in corporate governance and rule changes and developments regarding fund governance;
- (viii) Ensure that any changes in trustee composition complies with any and all laws governing qualifications and number of independent trustees and the proportionality thereof to the board as a whole, through the assistance of legal counsel; and,
- (ix) Review board compensation annually vis-à-vis best practices in the fund community.

Among its specific duties and responsibilities, the Governance, Nomination and Compensation Committee shall:

- (i) Be directly responsible, in its capacity as a committee of the Board, for the appointment of Trustees;
- (ii) Establish policies and procedures for the engagement of outside search firms, if required to provide potential candidates;
- (iii) Meet on at least an annual basis to review current needs, undertake board self assessments and other activities as required; and
- (iv) Evaluate compensation of each trustee taking into consideration the duties, responsibilities and risks associated with serving as a trustee;
- (v) Review and discuss with management succession plans and strategy for the board composition;
- (vi) Monitor issues of “best practices” regarding fund governance.

3. Outside Advisors. The GNC shall have the authority to retain such outside counsel, experts and other advisors as it determines appropriate to assist it in the performance of its functions and shall receive appropriate funding, as determined by the GNC, from the Funds for payment of compensation to any such advisors.

4. Meetings. The GNC shall meet at least one time per year, either in person or telephonically, and at such times and places as the GNC shall determine. The GNC shall meet separately in executive session, periodically, with management and the Funds' legal counsel. The GNC shall report regularly to the full Board of Trustees with respect to its activities. The majority of the members of the GNC shall constitute a quorum.

As adopted: December 8, 2006,
as amended May 7, 2019