

Mundoval Fund

ANNUAL REPORT

December 31, 2010

**Mundoval Fund
Annual Report
December 31, 2010**

Fellow Shareholders,

For the one year period ending December 31, 2010, the Mundoval Fund returned 2.87% versus 11.76% for the MSCI World Index and 15.10% for the S&P 500 Index. Since inception on September 3, 2004, the annualized average rate of return for the Mundoval Fund has been 5.03% versus 5.36% for the MSCI World Index and 3.99% for the S&P 500 Index.

Assets under management in the Fund as of December 31, 2010 are \$11.6 million. 3M Company, Citigroup, Ebay, General Dynamics, Disney Company, Ingersoll Rand, ITT Corporation, Moody's Corp, Omnicom Group, Pearson, Procter & Gamble, SK Telecom, Tele Norte Leste and Dow Chemical were sold during the year because the investment adviser either believed them to be fairly valued or determined that there were more attractive businesses to be purchased with the proceeds. New security positions for the year included Allstate Corp, America Movil, Apollo Group, Banco Santander, Companhia de Bebidas, Exxon Mobil Corp, France Telecom, Gilead Sciences, Google, Mastercard, Travelers Companies and Western Digital*. The Fund owns shares of common stock in 36 companies as of December 31, 2010.

Health care continues to be the largest sector in our portfolio with a 26% allocation. Although currently challenged by concerns about governmental imposed health care reform, productivity in research & development and ongoing patent expirations, our health care businesses are improving profitably by expanding into emerging markets, cost cutting, and focusing capital spending on health issues of utmost urgency: oncology, dementia/Alzheimer's disease, obesity and diabetes. Despite the health care sector being the worst performing in the major stock indices in 2010, many health care businesses continue to repurchase their common stock and pay generous dividends to shareholders because they generate large and predictable amounts of free cash flow from their operations. In addition, the rates of return on invested capital in the health care industry typically are considerably higher than those demonstrated by other industries. Our holdings such as Astra Zeneca, Pfizer, Gilead Sciences, Novartis, Sanofi Aventis, GlaxoSmithkline and Johnson & Johnson represent a large percentage of market share and industry sales and profits*. More importantly, these businesses are attractively priced today because investors are paying for their current mix of pharmaceutical products while receiving for "free" the extensive amount of future value that will be created from their current R&D expenditures.

The Mundoval Fund adheres to an investment philosophy that's based on value. Our patterns of operation will attempt to reduce risk of permanent capital loss by purchasing common stock of businesses worldwide at prices believed to be trading at a discount to their intrinsic value. We seek to own businesses that are leaders in their industries with the ability to generate discretionary cash flows to enhance value for shareholders.

Thank you for your continued support and confidence.

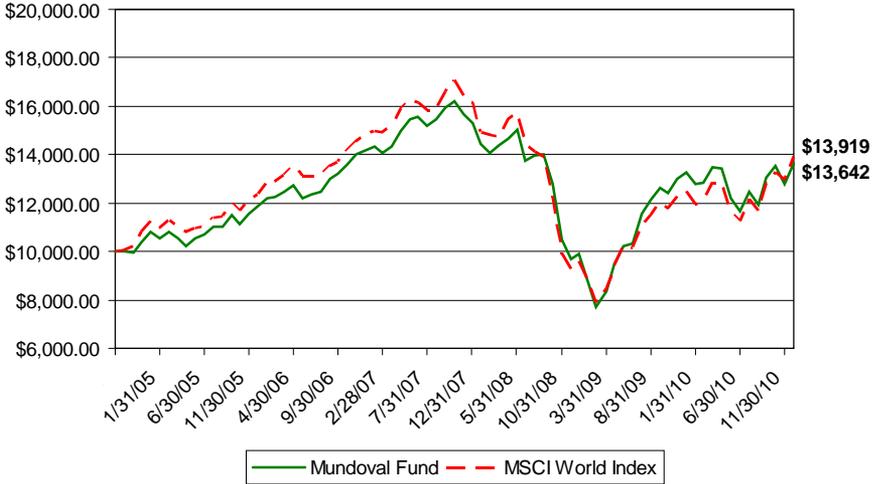
Sincerely yours,

Arthur Q. Johnson, CFA

* Portfolio composition is subject to change.

Mundoval Fund

**The Value of a \$10,000 Investment in the Mundoval Fund
From September 3, 2004 to December 31, 2010
As compared to the MSCI World Index
(Unaudited)**



PERFORMANCE INFORMATION (Unaudited)

AVERAGE ANNUAL RATE OF RETURN (%) FOR PERIODS ENDED DECEMBER 31, 2010.

December 31, 2010 NAV \$11.42

	<u>1 Year</u> ^(A)	<u>3 Years</u> ^(A)	<u>5 Years</u> ^(A)	<u>Since Inception</u> ^(A)
Mundoval Fund	2.87%	-3.70%	2.83%	5.03%
MSCI World Index ^(B)	11.76%	-4.85%	2.43%	5.36%

^(A) 1 Year, 3 Years, 5 Years and Since Inception returns include change in share prices and in each case includes reinvestment of any dividends and capital gain distributions. The inception date of the Mundoval Fund was September 3, 2004.

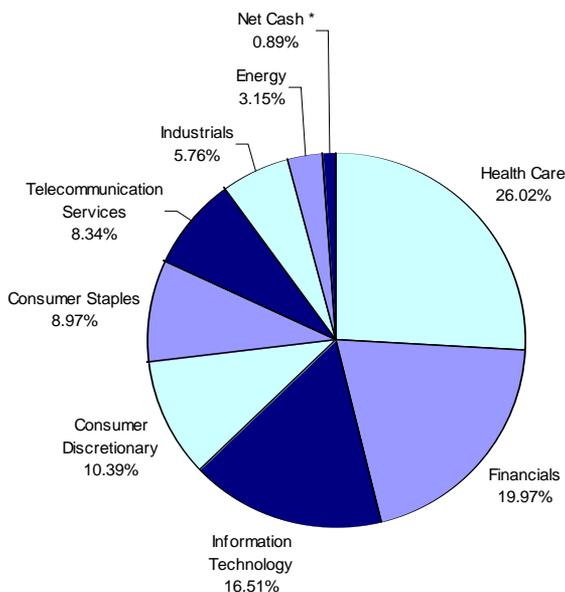
^(B) The MSCI World Index is a free float-adjusted market capitalization index that is designed to measure global developed market equity performance in twenty-three countries in Europe, Australia, Asia, the Far East and North America.

PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. INVESTMENT RETURN AND PRINCIPAL VALUE WILL FLUCTUATE SO THAT SHARES, WHEN REDEEMED, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST. RETURNS DO NOT REFLECT THE DEDUCTION OF TAXES THAT A SHAREHOLDER WOULD PAY ON FUND DISTRIBUTIONS OR THE REDEMPTION OF FUND SHARES. TO OBTAIN PERFORMANCE DATA CURRENT TO THE MOST RECENT MONTH END, PLEASE CALL 1-800-595-2877.

Mundoval Fund (Unaudited)

Mundoval Fund

by Industry Sectors (as a percentage of Net Assets)



*Net Cash represents cash equivalents and other assets less liabilities.

Availability of Quarterly Schedule of Investments (Unaudited)

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's Web site at <http://www.sec.gov>. The Fund's Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

Proxy Voting Guidelines (Unaudited)

A.Q. Johnson & Co., Inc., the Fund's Adviser, is responsible for exercising the voting rights associated with the securities held by the Fund. A description of the policies and procedures used by the Adviser in fulfilling this responsibility is available without charge by calling our toll free number (1-800-595-2877) or by visiting the Fund's website at www.mundoval.com. This information is also included in the Fund's Statement of Additional Information, which is available on the Securities and Exchange Commission's website at <http://www.sec.gov>.

Information regarding how the Fund voted proxies, Form N-PX, relating to portfolio securities during the most recent 12-month period ended June 30th is available without charge, upon request, by calling our toll free number (1-800-595-2877). This information is also available on the Securities and Exchange Commission's website at <http://www.sec.gov>.

Expense Example (Unaudited)

Shareholders of this Fund incur ongoing expenses consisting solely of management fees. The following example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with similar costs of investing in other mutual funds. The example is based on an investment of \$1,000 invested in the Fund on July 1, 2010 and held through December 31, 2010.

The first line of the table below provides information about actual account values and actual expenses. In order to estimate the expenses a shareholder paid during the period covered by this report, shareholders can divide their account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6) and then multiply the result by the number in the first line under the heading entitled "Expenses Paid During the Period."

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses paid by a shareholder for the period. Shareholders may use this information to compare the ongoing costs of investing in this Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in other funds' shareholder reports.

	Beginning Account Value July 1, 2010	Ending Account Value December 31, 2010	Expenses Paid During the Period* July 1, 2010 to December 31, 2010
Actual	\$1,000.00	\$1,168.83	\$8.20
Hypothetical (5% annual return before expenses)	\$1,000.00	\$1,017.64	\$7.63

* Expenses are equal to the Fund's annualized expense ratio of 1.50%, multiplied by the average account value over the period, multiplied by 184/365 (to reflect the one-half year period ended December 31, 2010).

Mundoval Fund

Schedule of Investments December 31, 2010

Shares/Principal Amount	Fair Value	% of Net Assets
COMMON STOCKS		
Beverages		
12,500 Companhia de Bebidas Das Americas **	\$ 387,875	
4,000 Diageo plc **	297,320	
	<u>685,195</u>	5.91%
Biological Products (No Diagnostic Substances)		
9,000 Gilead Sciences Inc. *	326,160	2.81%
Commercial Banks, NEC		
32,000 Banco Santander, S.A. **	340,800	2.94%
Computer Communications Equipment		
16,000 Cisco Systems Inc. *	323,680	2.79%
Computer Storage Devices		
9,000 Western Digital Corp. *	305,100	2.63%
Electronic & Other Electrical Equipment (No Computer Equipment)		
19,000 General Electric Co.	347,510	3.00%
Electronic Computers		
17,000 Dell Inc. *	230,350	1.99%
Fire, Marine & Casualty Insurance		
9,000 The Allstate Corporation	286,920	
6,000 The Travelers Companies, Inc.	334,260	
	<u>621,180</u>	5.35%
Food and Kindred Products		
11,500 Unilever plc **	355,120	3.06%
General Industrial Machinery & Equipment		
6,000 Illinois Tool Works Inc.	320,400	2.76%
Hospital & Medical Service Plans		
6,000 WellPoint Inc. *	341,160	2.94%
Insurance Agents Brokers & Services		
3,000 CNinsure Inc. **	51,870	0.45%
Life Insurance		
27,852 ING Groep NV * **	272,671	2.35%
National Commercial Banks		
30,000 Bank of America Corporation	400,200	
12,000 US Bancorp	323,640	
	<u>723,840</u>	6.24%
Newspapers: Publishing or Publishing & Printing		
17,000 News Corporation Class B	279,140	2.41%
Petroleum Refining		
5,000 Exxon Mobil Corp.	365,600	3.15%
Pharmaceutical Preparations		
8,000 AstraZeneca plc **	369,520	
8,000 GlaxoSmithKline plc **	313,760	
4,500 Johnson & Johnson	278,325	
5,500 Novartis AG **	324,225	
20,000 Pfizer Inc.	350,200	
10,500 Sanofi-Aventis **	338,415	
	<u>1,974,445</u>	17.01%
Retail - Family Clothing Stores		
6,500 The TJX Companies, Inc.	288,535	2.49%
Savings Institution, Federally Chartered		
6,000 HSBC Holdings plc **	306,240	2.64%

*Non-Income Producing Securities.

**ADR - American Depository Receipt.

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

Mundoval Fund

Schedule of Investments December 31, 2010

Shares/Principal Amount	Fair Value	% of Net Assets
COMMON STOCKS		
Services - Business Services, NEC		
1,500 Mastercard Incorporated	\$ 336,165	2.90%
Services - Computer Programming, Data Processing, Etc.		
600 Google Inc. Class A *	356,382	3.07%
Services - Educational		
8,000 Apollo Group Inc. Class A *	315,920	2.72%
Services - Motion Picture & Video		
10,000 Time Warner Inc.	321,700	2.77%
Services - Prepackaged Software		
13,000 Microsoft Corp.	362,830	3.13%
Surgical & Medical Instruments & Apparatus		
50,000 Boston Scientific Corporation *	378,500	3.26%
Telecommunications		
6,000 America Movil S.A.B. de C.V. **	344,040	
15,000 France Telecom **	316,200	
4,500 Telefonica SA **	307,890	
	968,130	8.34%
Total for Common Stock (Cost - \$11,365,675)	\$ 11,498,623	99.11%
Money Market Funds		
252,745 First American Treasury Obligation Fund Cl Y 0.00% *** (Cost - \$252,745)	252,745	2.18%
Total Investments (Cost - \$11,618,420)	11,751,368	101.29%
Liabilities in Excess of Other Assets	(149,907)	-1.29%
Net Assets	<u>\$ 11,601,461</u>	100.00%

SUMMARY OF INVESTMENTS BY COUNTRY

	Fair Value	% of Investment Securities
Brazil	\$ 387,875	3.37%
China	51,870	0.45%
France	654,615	5.69%
Mexico	344,040	2.99%
Netherlands	272,671	2.37%
Spain	648,690	5.64%
Switzerland	324,225	2.82%
United Kingdom	1,641,960	14.28%
United States	7,172,677	62.39%
	<u>\$ 11,498,623</u>	<u>100.00%</u>

*Non-Income Producing Securities.

**ADR - American Depositary Receipt.

*** Variable Rate Security; the Yield Rate shown represents the rate at December 31, 2010.

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

Mundoval Fund

Statement of Assets and Liabilities

December 31, 2010

Assets:	
Investment Securities at Fair Value	\$ 11,751,368
(Cost - \$11,618,420)	
Dividend Receivable	13,559
Total Assets	<u>11,764,927</u>
Liabilities:	
Payable for Securities Purchased	134,053
Payable to Adviser	29,413
Total Liabilities	<u>163,466</u>
Net Assets	<u>\$ 11,601,461</u>
Net Assets Consist of:	
Capital Paid In	\$ 11,403,550
Accumulated Undistributed Net Investment Income	750
Accumulated Undistributed Realized Gain on Investments - Net	64,213
Unrealized Appreciation in Value of Investments Based on Identified Cost - Net	<u>132,948</u>
Net Assets, for 1,016,121 Shares Outstanding (Without par value, unlimited shares authorized)	<u>\$ 11,601,461</u>
Net Asset Value, Offering and Redemption Price Per Share (\$11,601,461/1,016,121 shares)	\$ 11.42

Statement of Operations

For the year ended December 31, 2010

Investment Income:	
Dividends (Net of foreign withholding taxes and fees of \$12,030)	\$ 231,113
Interest	1
Total Investment Income	<u>231,114</u>
Expenses:	
Management Fees	<u>155,658</u>
Total Expenses	155,658
Net Investment Income	75,456
Realized and Unrealized Gain (Loss) on Investments:	
Realized Gain on Investments	70,534
Change in Unrealized Appreciation on Investments	<u>237,596</u>
Net Realized and Unrealized Gain on Investments	<u>308,130</u>
Net Increase (Decrease) in Net Assets from Operations	<u>\$ 383,586</u>

Mundoval Fund

Statements of Changes in Net Assets

	1/1/2010 to 12/31/2010	1/1/2009 to 12/31/2009
From Operations:		
Net Investment Income	\$ 75,456	\$ 119,457
Net Realized Gain (Loss) on Investments	70,534	161,162
Change in Net Unrealized Appreciation (Depreciation)	<u>237,596</u>	<u>2,193,358</u>
Increase (Decrease) in Net Assets from Operations	383,586	2,473,977
From Distributions to Shareholders:		
Net Investment Income	(82,107)	(113,542)
Net Realized Gain from Security Transactions	-	-
Change in Net Assets from Distributions	<u>(82,107)</u>	<u>(113,542)</u>
From Capital Share Transactions:		
Proceeds From Sale of Shares	1,566,570	357,671
Shares Issued on Reinvestment of Dividends	82,107	113,542
Cost of Shares Redeemed	<u>(132,906)</u>	<u>(213,579)</u>
Net Increase (Decrease) from Shareholder Activity	<u>1,515,771</u>	<u>257,634</u>
Net Increase (Decrease) in Net Assets	1,817,250	2,618,069
Net Assets at Beginning of Period	<u>9,784,211</u>	<u>7,166,142</u>
Net Assets at End of Period (Including Accumulated Undistributed Net Investment Income of \$750 and \$7,401, respectively)	<u>\$ 11,601,461</u>	<u>\$ 9,784,211</u>
Share Transactions:		
Issued	146,089	40,954
Reinvested	7,183	10,057
Redeemed	<u>(12,162)</u>	<u>(24,119)</u>
Net Increase (Decrease) in Shares	141,110	26,892
Shares Outstanding Beginning of Period	<u>875,011</u>	<u>848,119</u>
Shares Outstanding End of Period	<u>1,016,121</u>	<u>875,011</u>

Financial Highlights

Selected data for a share outstanding throughout the period:

	1/1/2010 to 12/31/2010	1/1/2009 to 12/31/2009	1/1/2008 to 12/31/2008	9/1/2007 ^(a) to 12/31/2007	9/1/2006 to 8/31/2007	9/1/2005 to 8/31/2006
Net Asset Value -						
Beginning of Period	\$ 11.18	\$ 8.45	\$ 13.37	\$ 15.12	\$ 12.91	\$ 11.04
Net Investment Income ****	0.08	0.14	0.21	0.05	0.16	0.11
Net Gain (Loss) on Securities (Realized and Unrealized)	<u>0.24</u>	<u>2.72</u>	<u>(4.92)</u>	<u>(0.20)</u>	<u>2.25</u>	<u>1.84</u>
Total from Investment Operations	0.32	2.86	(4.71)	(0.15)	2.41	1.95
Distributions (From Net Investment Income)	(0.08)	(0.13)	(0.21)	(0.18)	(0.08)	(0.08)
Distributions (From Realized Capital Gains)	-	-	- ^(b)	(1.42)	(0.12)	-
Total Distributions	<u>(0.08)</u>	<u>(0.13)</u>	<u>(0.21)</u>	<u>(1.60)</u>	<u>(0.20)</u>	<u>(0.08)</u>
Net Asset Value - End of Period	<u>\$ 11.42</u>	<u>\$ 11.18</u>	<u>\$ 8.45</u>	<u>\$ 13.37</u>	<u>\$ 15.12</u>	<u>\$ 12.91</u>
Total Return ****	2.87%	33.85%	(35.15)%	(1.09)% ***	18.81%	17.70%
Ratios/Supplemental Data						
Net Assets - End of Period (Thousands)	11,601	9,784	7,166	11,732	13,482	7,573
Ratio of Expenses to Average Net Assets	1.50%	1.50%	1.50%	1.50% **	1.50%	1.50%
Ratio of Net Investment Income to Average Net Assets	0.73%	1.51%	1.83%	0.91% **	1.15%	0.93%
Portfolio Turnover Rate	33.48%	14.62%	30.10%	3.86% ***	25.49%	26.46%

** Annualized. *** Not Annualized. **** Total return in the above table represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends and distributions.

***** Per share amounts were calculated using the average shares method.

(a) Effective September 1, 2007, the Fund's Board of Trustees elected to change the Fund's fiscal year end to December 31. (b) Per share amount less than \$0.005.

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

NOTES TO THE FINANCIAL STATEMENTS

MUNDOVAL FUND

December 31, 2010

1.) ORGANIZATION

Mundoval Fund (the "Fund") is a non-diversified series of the Mundoval Funds (the "Trust"), an open-end management investment company. The Trust was organized in Ohio as a business trust on March 24, 2004 and may offer shares of beneficial interest in a number of separate series, each series representing a distinct fund with its own investment objectives and policies. The Fund commenced operations on September 3, 2004. The Fund's investment objective is long-term capital appreciation. Effective September 1, 2007, the Fund's Board of Trustees (the "Board") elected to change the Fund's fiscal year end to December 31.

2.) SIGNIFICANT ACCOUNTING POLICIES

SECURITY VALUATION:

All investments in securities are recorded at their estimated fair value, as described in Note 3.

FEDERAL INCOME TAXES: The Fund's policy is to continue to comply with the requirements of the Internal Revenue Code that are applicable to regulated investment companies and to distribute all of its taxable income to shareholders. Therefore, no federal income tax provision is required. It is the Fund's policy to distribute annually, prior to the end of the calendar year, dividends sufficient to satisfy excise tax requirements of the Internal Revenue Code. This Internal Revenue Code requirement may cause an excess of distributions over the book year-end accumulated income. In addition, it is the Fund's policy to distribute annually, after the end of the fiscal year, any remaining net investment income and net realized capital gains.

The Fund recognizes the tax benefits of certain tax positions only where the position is "more likely than not" to be sustained assuming examination by tax authorities. Management has analyzed the Fund's tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years (2007-2009), or expected to be taken on the Fund's 2010 tax return. The Fund identifies its major tax jurisdictions as U.S. Federal and California tax authorities; however the Fund is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months. The Fund recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the statement of operations. During the year ended December 31, 2010, the Fund did not incur any interest or penalties.

DISTRIBUTIONS TO SHAREHOLDERS: Distributions to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date. The treatment for financial reporting purposes of distributions made to shareholders during the year from net investment income or net realized capital gains may differ from their ultimate treatment for federal income tax purposes. These differences are caused primarily by differences in the timing of the recognition of certain components of income, expenses or realized capital gain for federal income tax purposes. Where such differences are permanent in nature, they are reclassified in the components of the net assets based on their ultimate characterization for federal income tax purposes. Any such reclassifications will have no effect on net assets, results of operations or net asset values per share of the Fund.

USE OF ESTIMATES: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

OTHER: The Fund records security transactions based on a trade date. Dividend income is recognized on the ex-dividend date. Interest income is recognized on an accrual basis. The Fund uses the specific identification method in computing gain or loss on sale of investment securities. Discounts and premiums on securities purchased are amortized over the life of the respective securities. Withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable country's tax rules and regulations.

3.) SECURITIES VALUATIONS

The Fund utilizes various methods to measure the fair value of most of its investments on a recurring basis. GAAP establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.

Notes to the Financial Statements - continued

Level 2 - Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3 - Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Fund's own assumptions about the assumptions a market participant would use in valuating the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

FAIR VALUE MEASUREMENTS

A description of the valuation techniques applied to the Fund's major categories of assets and liabilities measured at fair value on a recurring basis follows.

Equity securities (common stock). Equity securities are carried at fair value. The market quotation used for common stocks, including those listed on the NASDAQ National Market System, is the last sale price on the date on which the valuation is made or, in the absence of sales, at the closing bid price. Over-the-counter securities will be valued on the basis of the bid price at the close of each business day. Generally, if the security is traded in an active market and is valued at the last sale price, the security is categorized as a level 1 security. When the security position is not considered to be part of an active market or when the security is valued at the bid price, the position is generally categorized as level 2. When market quotations are not readily available, when the Adviser determines the last bid price does not accurately reflect the current value or when restricted securities are being valued, such securities are valued as determined in good faith by the Adviser, in conformity with guidelines adopted by and subject to review of the Board and are categorized in level 2 or level 3, when appropriate.

Money markets. Money market securities are valued at a net asset value of \$1.00 and are classified in level 1 of the fair value hierarchy.

Fixed income securities. Fixed income securities generally are valued by using market quotations, but may be valued on the basis of prices furnished by a pricing service when the Adviser believes such prices accurately reflect the fair value of such securities. A pricing service utilizes electronic data processing techniques based on yield spreads relating to securities with similar characteristics to determine prices for normal institutional-size trading units of debt securities without regard to sale or bid prices. When prices are not readily available from a pricing service, or when restricted or illiquid securities are being valued, securities are valued at fair value as determined in good faith by the Adviser, subject to review of the Trustees. Short-term investments in fixed income securities with maturities of less than 60 days when acquired, or which subsequently are within 60 days of maturity, are valued by using the amortized cost method of valuation. Generally, fixed income securities are categorized as level 2.

In accordance with the Trust's good faith pricing guidelines, the Adviser is required to consider all appropriate factors relevant to the value of securities for which it has determined other pricing sources are not available or reliable as described above. There is no single standard for determining fair value controls, since fair value depends upon the circumstances of each individual case. As a general principle, the current fair value of an issue of securities being valued by the Adviser would appear to be the amount which the owner might reasonably expect to receive for them upon their current sale. Methods which are in accordance with this principle may, for example, be based on (i) a multiple of earnings; (ii) a discount from market of a similar freely traded security (including a derivative security or a basket of securities traded on other markets, exchanges or among dealers); or (iii) yield to maturity with respect to debt issues, or a combination of these and other methods.

The following table summarizes the inputs used to value the Fund's assets measured at fair value as of December 31, 2010:

Notes to the Financial Statements - continued

<u>Valuation Inputs of Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stock	\$11,498,623	\$0	\$0	\$11,498,623
Money Market Funds	<u>252,745</u>	<u>0</u>	<u>0</u>	<u>252,745</u>
Total	\$11,751,368	\$0	\$0	\$11,751,368

Refer to the Fund's Schedule of Investments for a listing of securities by industry. The Fund did not hold any Level 3 assets during the fiscal year ended December 31, 2010. There were no transfer into or out of level 1 or level 2 during the year ended December 31, 2010. It is the Fund's policy to consider transfers into or out of level 1 and level 2 as of the end of the reporting period.

4.) INVESTMENT ADVISORY AGREEMENT

The Fund has entered into an investment advisory agreement (the "Management Agreement") with A.Q. Johnson & Co., Inc. (the "Adviser"). Under the terms of the Management Agreement the Adviser manages the investment portfolio of the Fund, subject to policies adopted by the Trust's Board of Trustees. Under the Management Agreement, the Adviser, at its own expense and without reimbursement from the Trust, furnishes office space and all necessary office facilities, equipment and executive personnel necessary for managing the assets of the Fund. The Adviser also pays the salaries and fees of all of its officers and employees that serve as officers and trustees of the Trust. The Adviser pays all operating expenses of the Fund with the exception of taxes, brokerage fees and commissions, borrowing costs (such as (a) interest and (b) dividend expenses on securities sold short), and extraordinary expenses. For its services, the Adviser receives an annual investment management fee payable monthly from the Fund of 1.50% of the average daily net assets of the Fund. As a result of the above calculation, for the fiscal year ended December 31, 2010 the Adviser earned management fees totaling \$155,658, of which \$29,413 was payable to the Adviser as of December 31, 2010.

Arthur Q. Johnson is the control person of the Adviser and also serves as a trustee/officer of the Fund. This individual receives benefits from the Adviser resulting from management fees paid to the Adviser by the Fund.

5.) RELATED PARTY TRANSACTIONS

The Trustees who are not interested persons of the Fund were paid \$1,000 each in Trustees fees by the Adviser for the fiscal year ended December 31, 2010. Under the Management Agreement, the Adviser pays these fees.

6.) INVESTMENTS

For the fiscal year ended December 31, 2010, purchases and sales of investment securities other than U.S. Government obligations and short-term investments aggregated \$4,930,762 and \$3,401,567 respectively. There were no purchases or sales of U.S. Government obligations.

For federal income tax purposes, the cost of investments owned at December 31, 2010 was \$11,618,420. At December 31, 2010, the composition of unrealized appreciation (the excess of value over tax cost) and depreciation (the excess of tax cost over value) was as follows:

<u>Appreciation</u>	<u>(Depreciation)</u>	<u>Net Appreciation (Depreciation)</u>
\$1,348,139	(\$1,215,191)	\$132,948

7.) CONTROL OWNERSHIP

The beneficial ownership, either directly or indirectly, of more than 25% of the voting shares of a fund creates a presumption of control of the Fund, under Section 2(a)(9) of the Investment Company Act of 1940. As of December 31, 2010, Arthur Q. Johnson, beneficial owner, held, in aggregate, 46.34% of the Fund and therefore may be deemed to control the Fund. Arthur Q. Johnson is the control person of the Adviser and also serves as a trustee/officer of the Fund.

8.) CAPITAL SHARES

At December 31, 2010 an unlimited number of shares of beneficial interest were authorized. 1,016,121 shares were issued and outstanding and paid in capital was \$11,403,550.

9.) DISTRIBUTIONS TO SHAREHOLDERS

There was a dividend of \$0.08138 per share from net investment income paid on December 29, 2010.

The tax character of distributions paid during the periods shown below were as follows:

Notes to the Financial Statements - continued

Distributions paid from:

	<u>2010</u>	<u>2009</u>
Ordinary Income	\$ 82,107	\$ 113,542
Short-Term Capital Gain	-0-	-0-
Long-Term Capital Gain	-0-	-0-
	<u>\$ 82,107</u>	<u>\$ 113,542</u>

As of December 31, 2010, the components of distributable earnings (accumulated losses) on a tax basis were as follows:

Undistributed ordinary income/(accumulated losses)	\$ 53,285
Undistributed long-term capital gain/(accumulated losses)	11,678
Unrealized appreciation/(depreciation)	<u>132,948</u>
	<u>\$ 197,911</u>

As of December 31, 2010, there were no differences between book basis and tax basis unrealized appreciation. The Fund utilized \$6,321 of available capital loss carryforward in 2010.

Cohen Fund Audit Services, Ltd.
Certified Public Accountants

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Trustees of
Mundoval Fund

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of Mundoval Fund (the "Fund"), as of December 31, 2010, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the six periods in the period then ended. These financial statements and financial highlights are the responsibility of Fund management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Our procedures included confirmation of securities owned as of December 31, 2010, by correspondence with the custodian and broker. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Mundoval Fund as of December 31, 2010, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and the financial highlights for each of the six periods in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

Cohen Fund Audit Services

COHEN FUND AUDIT SERVICES, LTD.
Westlake, Ohio
February 25, 2011

TRUSTEES AND OFFICERS (Unaudited)

The Board of Trustees supervises the business activities of the Trust. The names of the Trustees and executive officers of the Trust are shown below. Each Trustee serves until the Trustee dies, resigns, retires or is removed. Officers hold office for one year and until their respective successors are chosen and qualified.

The trustees and officers of the Trust and their principal business activities during the past five years are:

Interested Trustees and Officers

Name, Address ⁽¹⁾ , and Age	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios Overseen By Trustee	Other Directorships Held By Trustee
Arthur Q. Johnson ⁽²⁾ , 49	President, Secretary, Treasurer and Trustee	Indefinite Term, Since 2004	President of A.Q. Johnson & Co., Inc. (2002 - current), Principal of Brandes Investment Partners, L.P. (1986-2000).	1	None
Natalie M. Gumina, 28	Chief Compliance Officer	Indefinite Term, Since 2006	Chief Operating Officer and Investment Advisory Representative of A.Q. Johnson & Co. (August 2006 - current). Financial Advisor for AXA Advisors (2005-2006).	N/A	None

(1) The address of each trustee and officer is c/o Mundoval Funds, 7855 Ivanhoe Ave., Ste. 210, La Jolla, CA 92037.

(2) Arthur Q. Johnson is considered an "interested person" as defined in Section 2(a)(19) of the Investment Company Act of 1940 by virtue of his affiliation with the Adviser.

Independent Trustees

Name, Address ⁽³⁾ , and Age	Position with the Trust	Length of Time Served	Principal Occupation(s) During Past 5 Years	Number of Portfolios Overseen By Trustee	Other Directorships Held By Trustee
William W. Eigner, 51	Trustee	Indefinite Term, Since 2004	Attorney of Procopio Cory Hargreaves & Savitch, LLP (1989 - current). Partner of Procopio Cory Hargreaves & Savitch, LLP (1995 - current).	1	None
David B. Marino, 47	Trustee	Indefinite Term, Since 2004	Executive Vice President and Principal of Irving Hughes (1995 - current).	1	None
Greg Young, 50	Trustee	Indefinite Term, Since 2004	Account Executive and Director of Stone & Youngberg, LLC (1990 - current).	1	None

(3) The address of each Trustee is c/o Mundoval Funds, 7855 Ivanhoe Ave., Ste. 210, La Jolla, CA 92037.

The Statement of Additional Information contains additional and more detailed information about the trustees and is available without charge by calling the transfer agent at 1-800-595-2877.

Board of Trustees

William W. Eigner
Arthur Q. Johnson
David B. Marino
Greg S. Young

Investment Adviser

A.Q. Johnson & Co., Inc.
7855 Ivanhoe Ave., Ste. 210
La Jolla, CA 92037

Counsel

Thompson Hine LLP
312 Walnut Street, 14th Floor
Cincinnati, OH 45202

Custodian

U.S. Bank, NA
425 Walnut Street
P.O. Box 1118
Cincinnati, OH 45201

**Dividend Paying Agent,
Shareholders' Servicing Agent,
Transfer Agent**

Mutual Shareholder Services
8000 Town Centre Dr., Suite 400
Broadview Hts., OH 44147

Fund Administrator

Premier Fund Solutions, Inc.
480 N. Magnolia Avenue, Suite 103
El Cajon, CA 92020

Independent Registered

Public Accounting Firm

Cohen Fund Audit Services, Ltd.
800 Westpoint Pkwy., Suite 1100
Westlake, OH 44145-1594

This report is provided for the general information of the shareholders of the Mundoval Fund. This report is not intended for distribution to prospective investors in the Fund, unless preceded or accompanied by an effective prospectus.