

Mundoval Fund

ANNUAL REPORT

December 31, 2016

**Mundoval Fund
Annual Report
December 31, 2016**

Dear Shareholders,

For the one year ended December 31, 2016, the Mundoval Fund (the "Fund") returned 12.03% versus 7.51% for the MSCI World Index. Since inception on September 3, 2004, the annualized rate of return for the Mundoval Fund has been 5.92% versus 6.43% for the MSCI World Index.

Assets under management in the Fund as of December 31, 2016 were \$20.26 million. During the year, shares of China Mobile, Telekom Indonesia, Coach, CF Industries, Ambev, Melco Crown Entertainment, Chesapeake Energy and National Oilwell Varco were sold because the investment adviser 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 T. Rowe Price Associates, LVMH Moet Hennessy Louis Vitton, United Technologies, Nestle, Allergan, Inpex Corp, Bridgestone Corp, Grupo Televisa, Novo-Nordisk, Roche Holdings, Unilever Plc, Valero Energy, Estee Lauder, Enel Americas and Lear Corp. The geographic diversification of the Fund as of December 31, 2016 is 43.85% Domestic stocks, 51.95% International stocks with 4.20% net cash equivalents. As of December 31, 2016, the Fund owned shares of common stock in 39 companies.

Two of the world's best performing stock markets in 2016 included Brazil (+63%) and Russia (+50). The Energy sector provided strong rates of return due to the 45% increase in the cost of crude oil during the year. The Financial sector benefitted, primarily in the 4th quarter post election period, from the significant increase in medium and long term interest rates and the ability for financial businesses to capitalize on the spread between deposits and loans.

The Mundoval Fund was a beneficiary of these events as our holdings in Brazilian oil & gas behemoth, Petrobras, and Brazilian banking giant, Banco do Brasil, more than doubled in share price. Two of Russia's largest oil & gas businesses, Lukoil and Gazprom, provided significant rates of return to the Fund as well. In the Financial sector, Bank of America, Citigroup and BNP Paribas provided double digit rates of return during the year and still provide investors with opportunity as interest rates return to their historical levels and tangible net asset valuations are recognized by investors over time.

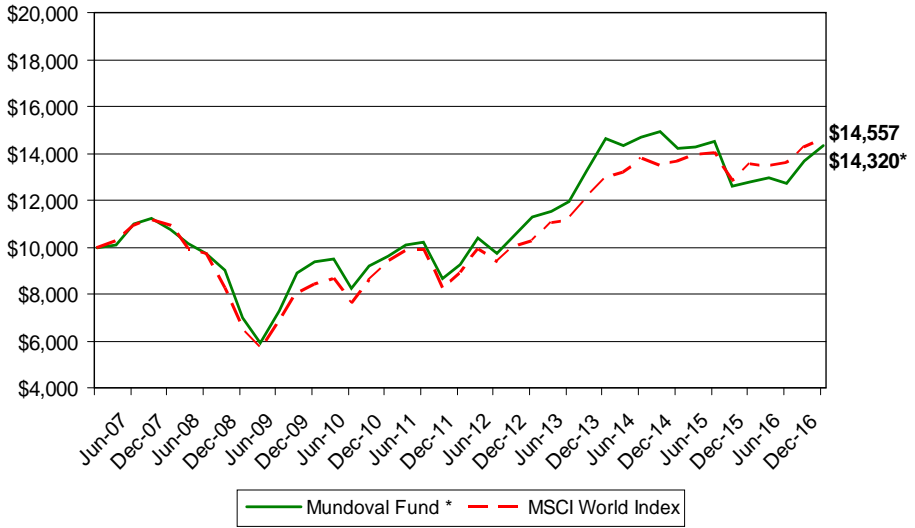
It is interesting to note that the Developed International Equity markets in Europe, Austral-Asia and the Far East, as measured by the MSCI EAFE Index, and Emerging Markets such as China, India, Brazil and Russia, as measured by the MSCI Emerging Markets Index, have returned 0.75% and 1.84% respectively on an annualized basis during the past ten year period ending December 31, 2016. Considering the disparity in returns relative to U.S. stocks during the past decade and attractive business valuations of many international companies, investors should be optimistic about the future prospects for investing globally.

Thank you for your business and continued support.

Arthur Q. Johnson, CFA
Portfolio Manager

Mundoval Fund

From January 1, 2007 to December 31, 2016
As compared to the MSCI World Index
(Unaudited)



PERFORMANCE INFORMATION (Unaudited)

AVERAGE ANNUAL RATE OF RETURN (%) FOR PERIODS ENDED DECEMBER 31, 2016.

December 31, 2016 NAV \$14.86

	<u>1 Year^(A)</u>	<u>3 Years^(A)</u>	<u>5 Years^(A)</u>	<u>7 Years^(A)</u>	<u>10 Years^(A)</u>
Mundoval Fund	12.03%	-0.67%	9.19%	6.29%	3.66%
MSCI World Index ^(B)	7.51%	3.80%	10.40%	8.16%	3.82%

The Fund's total annual operating expense ratio per the May 1, 2016 prospectus is 1.51%.

The Total Annual Fund Operating Expenses will not correlate to the expense ratio in the Fund's financial highlights because the financial highlights include only the direct operating expenses incurred by the Fund, not the indirect costs of investing in Acquired Funds.

^(A) 1 Year, 3 Years, 5 Years, 7 Years and 10 Years 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. CURRENT PERFORMANCE MAY BE LOWER OR HIGHER THAN THE PERFORMANCE DATA QUOTED. TO OBTAIN PERFORMANCE DATA CURRENT TO THE MOST RECENT MONTH END, PLEASE CALL 1-800-595-2877.

Expense Example (Unaudited)

Shareholders of this Fund incur ongoing expenses consisting solely of management fees. Although the Fund charges no sales loads or transaction fees, you will be assessed fees for outgoing wire transfers, returned checks and stop payment orders at prevailing rates charged by Mutual Shareholder Services, LLC, the Fund's transfer agent. IRA accounts will be charged an \$8.00 annual maintenance fee. The following example is intended to help you understand your ongoing costs 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, 2016 and held through December 31, 2016.

Actual Expenses

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."

Hypothetical Example for Comparison Purposes

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.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as the charges assessed by Mutual Shareholder Services, LLC as described above. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	Beginning Account Value <u>July 1, 2016</u>	Ending Account Value <u>December 31, 2016</u>	Expenses Paid During the Period* July 1, 2016 to <u>December 31, 2016</u>
Actual	\$1,000.00	\$1,124.50	\$8.01
Hypothetical (5% annual return before expenses)	\$1,000.00	\$1,017.60	\$7.61

- * Expenses are equal to the Fund's annualized expense ratio of 1.50%, multiplied by the average account value over the period, multiplied by 184/366 (to reflect the one-half year period ended December 31, 2016).

Availability of Quarterly Schedule of Investments (Unaudited)

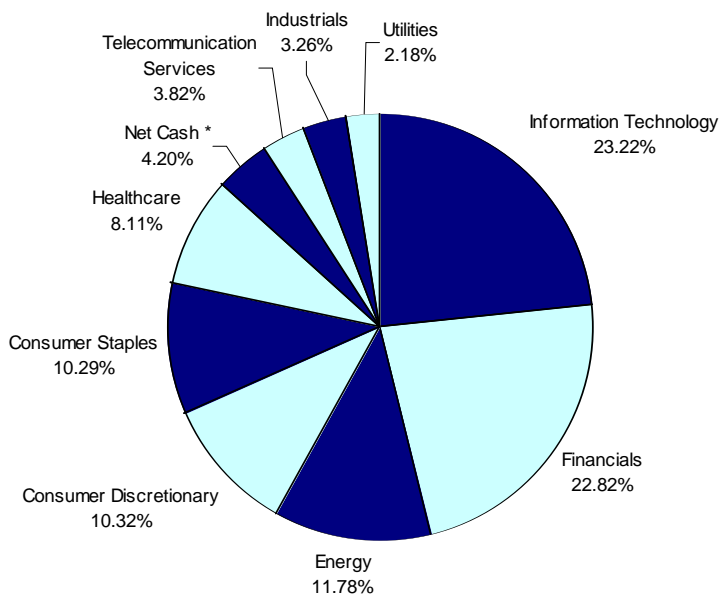
The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's Web site at <http://www.sec.gov>. The Fund's Forms N-Q may also be reviewed 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)

Mundoval Capital Management, 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>.

Mundoval Fund
by Industry Sectors (as a percentage of Net Assets)
as of December 31, 2016
(Unaudited)



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

Mundoval Fund

Schedule of Investments December 31, 2016

Shares	Fair Value	% of Net Assets
COMMON STOCKS		
Aircraft Engines & Engine Parts		
4,000 United Technologies Corporation	\$ 438,480	2.16%
Auto Components		
21,000 Bridgestone Corporation **	379,050	1.87%
Beverages		
6,000 Diageo PLC **	623,640	
12,000 LVMH Moët Hennessy Louis Vuitton **	455,940	
	1,079,580	5.33%
Cable & Other Pay Television Services		
16,000 Discovery Communications, Inc. Class A *	438,560	
11,000 Viacom Inc. Class B	386,100	
	824,660	4.07%
Construction Special Trade Contractors		
7,000 Chicago Bridge & Iron Company N.V. (Netherlands)	222,250	1.10%
Crude Petroleum & Natural Gas		
3,000 CNOOC Ltd. **	371,880	1.84%
Diversified Banking Institutions		
70,000 Banco do Brasil S.A. **	582,400	
25,000 BNP Paribas **	796,250	
	1,378,650	6.81%
Electric Services		
12,600 Enel Américas S.A. (Chile)	103,446	0.51%
Electric Utilities		
40,000 Companhia Paranaense De Energia **	339,200	1.67%
Electronic Components, NEC		
24,000 LG Display Co., Ltd. **	308,400	1.52%
Electronic Computers		
8,000 Apple Inc.	926,560	
3,500 International Business Machines Corporation	580,965	
	1,507,525	7.44%
Fire, Marine & Casualty Insurance		
15,000 American International Group, Inc.	979,650	4.84%
Food and Kindred Products		
6,000 Nestlé S.A. **	430,440	2.12%
Motor Vehicle Parts & Accessories		
500 Lear Corporation	66,185	0.33%
National Commercial Banks		
40,000 Bank of America Corporation	884,000	
15,000 Citigroup, Inc.	891,450	
	1,775,450	8.76%
Oil Company - Integrated		
70,000 Gazprom OAO **	356,300	
8,200 LUKOIL Company **	460,184	
45,000 Petroleo Brasileiro S.A. - Petrobras * **	454,950	
	1,271,434	6.28%
Oil, Gas & Consumable Fuel		
40,000 Inpex Corporation **	398,400	1.97%
Perfumes, Cosmetics & Other Toilet Preparations		
3,000 The Estée Lauder Companies Inc. Class A	229,470	1.13%
Petroleum Refining		
5,000 Valero Energy Corporation	341,600	1.69%

* Non-Income Producing Securities.

** ADR - American Depositary Receipt.

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

Mundoval Fund

Schedule of Investments December 31, 2016

Shares	Fair Value	% of Net Assets
COMMON STOCKS		
Pharmaceutical Preparations		
2,000 Allergan plc (Ireland) *	\$ 420,020	
10,000 Novo Nordisk A/S **	358,600	
12,500 Roche Holding Ltd. **	356,625	
14,000 Teva Pharmaceutical Industries Limited **	507,500	
	<u>1,642,745</u>	8.11%
Radiotelephone Communications		
60,000 Mobile TeleSystems PJSC **	546,600	2.70%
Retail - Grocery Stores		
60,000 Tesco PLC * **	455,400	2.25%
Security & Commodity Brokers, Dealers, Exchanges & Services		
6,500 T. Rowe Price Group, Inc.	489,190	2.41%
Services - Business Services, NEC		
11,000 MasterCard Incorporated Class A	1,135,750	5.61%
Services - Computer Programming, Data Processing, Etc.		
700 Alphabet Inc. Class A *	554,715	
701 Alphabet Inc. Class C *	541,046	
4,000 Baidu, Inc. * **	657,640	
	<u>1,753,401</u>	8.65%
Soap, Detergents, Cleaning Preparations, Perfumes, Cosmetics		
8,500 Unilever PLC **	345,950	1.71%
Telecommunications		
25,000 MTN Group Limited **	226,250	1.12%
Television Broadcasting Stations		
17,500 Grupo Televisa, S.A.B. **	365,575	1.80%
Total for Common Stocks (Cost - \$14,860,842)	\$ 19,406,611	95.80%
Money Market Funds		
1,100,991 First American Treasury Obligation Fund CI Y 0.00% *** (Cost - \$1,100,991)	1,100,991	5.43%
Total Investments (Cost - \$15,961,833) ****	20,507,602	101.23%
Liabilities in Excess of Other Assets	(249,386)	-1.23%
Net Assets	<u>\$ 20,258,216</u>	<u>100.00%</u>
SUMMARY OF COMMON STOCKS BY COUNTRY		
	Fair Value	% of Common Stocks
Brazil	\$ 1,376,550	7.09%
China	1,029,520	5.30%
Chile	103,446	0.53%
Denmark	358,600	1.85%
France	1,252,190	6.45%
Ireland	420,020	2.16%
Israel	507,500	2.62%
Japan	777,450	4.01%
Mexico	365,575	1.88%
Netherlands	222,250	1.15%
Russia	1,363,084	7.02%
South Africa	226,250	1.17%
South Korea	308,400	1.59%
Switzerland	787,065	4.06%
United Kingdom	1,424,990	7.34%
United States	8,883,721	45.78%
	<u>\$ 19,406,611</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, 2016.

**** At December 31, 2016, tax basis cost of the Fund's investments was \$16,017,893 and the unrealized appreciation and depreciation were \$5,286,056 and (\$796,347), respectively, with a net unrealized appreciation of \$4,489,709.

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

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Mundoval Fund

Statement of Assets and Liabilities

December 31, 2016

Assets:	
Investment Securities at Fair Value	\$ 20,507,602
(Cost - \$15,961,833)	
Interest Receivable	12
Dividends Receivable	<u>20,866</u>
Total Assets	20,528,480
Liabilities:	
Payable to Adviser	25,713
Payable for Securities Purchased	<u>244,551</u>
Total Liabilities	270,264
Net Assets	<u>\$ 20,258,216</u>
Net Assets Consist of:	
Capital Paid In	\$ 16,156,739
Accumulated Undistributed Net Investment Income	32,715
Accumulated Realized Loss on Investments - Net	(477,007)
Unrealized Appreciation in Value of Investments Based on Identified Cost - Net	<u>4,545,769</u>
Net Assets, for 1,363,075 Shares Outstanding (Without par value, unlimited shares authorized)	<u>\$ 20,258,216</u>
Net Asset Value, Offering and Redemption Price Per Share (\$20,258,216/1,363,075 shares)	\$ 14.86

Statement of Operations

For the fiscal year ended December 31, 2016

Investment Income:	
Dividends (Net of ADR fees of \$16,067)	\$ 414,188
Interest	34
Foreign Taxes Withheld *	<u>(32,969)</u>
Total Investment Income	381,253
Expenses:	
Management Fees	<u>285,068</u>
Total Expenses	285,068
Net Investment Income	96,185
Realized and Unrealized Gain on Investments:	
Net Realized Loss on Investments	(249,929)
Change in Unrealized Appreciation on Investments	<u>2,357,415</u>
Net Realized and Unrealized Gain on Investments	<u>2,107,486</u>
Net Increase in Net Assets from Operations	<u>\$ 2,203,671</u>

* Foreign withholding taxes on foreign dividends have been provided for in accordance with the Fund's understanding of the applicable countries' tax rules and rates.

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

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Mundoval Fund

Statements of Changes in Net Assets

	1/1/2016 to 12/31/2016	1/1/2015 to 12/31/2015
From Operations:		
Net Investment Income	\$ 96,185	\$ 91,352
Net Realized Loss on Investments	(249,929)	(227,078)
Change in Net Unrealized Appreciation	2,357,415	(1,980,441)
Increase/(Decrease) in Net Assets from Operations	<u>2,203,671</u>	<u>(2,116,167)</u>
From Distributions to Shareholders:		
Net Investment Income	(100,014)	(86,700)
Net Realized Gain from Security Transactions	-	(500,983)
Change in Net Assets from Distributions	<u>(100,014)</u>	<u>(587,683)</u>
From Capital Share Transactions:		
Proceeds From Sale of Shares	396,110	1,418,602
Shares Issued on Reinvestment of Dividends	100,014	587,683
Cost of Shares Redeemed	<u>(1,093,175)</u>	<u>(1,495,740)</u>
Net Increase/(Decrease) from Shareholder Activity	<u>(597,051)</u>	<u>510,545</u>
Net Increase/(Decrease) in Net Assets	1,506,606	(2,193,305)
Net Assets at Beginning of Period	<u>18,751,610</u>	<u>20,944,915</u>
Net Assets at End of Period (Including Accumulated Undistributed Net Investment Income of \$32,715 and \$36,544, respectively)	<u>\$ 20,258,216</u>	<u>\$ 18,751,610</u>
Share Transactions:		
Issued	29,100	92,308
Reinvested	6,708	43,148
Redeemed	<u>(79,152)</u>	<u>(99,404)</u>
Net Increase/(Decrease) in Shares	(43,344)	36,052
Shares Outstanding Beginning of Period	<u>1,406,419</u>	<u>1,370,367</u>
Shares Outstanding End of Period	<u>1,363,075</u>	<u>1,406,419</u>

Financial Highlights

Selected data for a share outstanding throughout the period:

	1/1/2016 to 12/31/2016	1/1/2015 to 12/31/2015	1/1/2014 to 12/31/2014	1/1/2013 to 12/31/2013	1/1/2012 to 12/31/2012
Net Asset Value -					
Beginning of Period	\$ 13.33	\$ 15.28	\$ 16.73	\$ 13.03	\$ 10.83
Net Investment Income ^(a)	0.07	0.07	0.09	0.07	0.20
Net Gain/(Loss) on Securities (Realized and Unrealized)	1.53	(1.59)	(0.54)	3.76	2.22
Total from Investment Operations	<u>1.60</u>	<u>(1.52)</u>	<u>(0.45)</u>	<u>3.83</u>	<u>2.42</u>
Distributions (From Net Investment Income)	(0.07)	(0.06)	(0.07)	(0.07)	(0.22)
Distributions (From Realized Capital Gains)	-	(0.37)	(0.93)	(0.06)	-
Total Distributions	<u>(0.07)</u>	<u>(0.43)</u>	<u>(1.00)</u>	<u>(0.13)</u>	<u>(0.22)</u>
Net Asset Value -					
End of Period	<u>\$ 14.86</u>	<u>\$ 13.33</u>	<u>\$ 15.28</u>	<u>\$ 16.73</u>	<u>\$ 13.03</u>
Total Return ^(b)	12.03%	(10.01)%	(2.78)%	29.39%	22.37%
Ratios/Supplemental Data					
Net Assets - End of Period (Thousands)	\$ 20,258	\$ 18,752	\$ 20,945	\$ 20,431	\$ 15,495
Ratio of Expenses to Average Net Assets	1.50%	1.50%	1.50%	1.50%	1.50%
Ratio of Net Investment Income to Average Net Assets	0.51%	0.44%	0.52%	0.49%	1.69%
Portfolio Turnover Rate	31.49%	11.27%	29.97%	32.54%	28.79%

(a) Per share amounts were calculated using the average shares method.

(b) 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.

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

NOTES TO FINANCIAL STATEMENTS

MUNDOVAL FUND

December 31, 2016

1.) ORGANIZATION

The Mundoval Fund (the "Fund") is a 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.

2.) SIGNIFICANT ACCOUNTING POLICIES

SECURITY VALUATION: The Fund is an investment company and accordingly follows the investment company accounting and reporting guidance of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 946 Financial Services - Investment Companies. 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. 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 fiscal year ended December 31, 2016, 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 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 accreted and 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.

Notes to Financial Statements - continued

3.) SECURITY 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.

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 in 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 valuing 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 measured at fair value on a recurring basis follows.

Equity securities (common stocks, including ADRs). Equity securities that are traded on any exchange or on the NASDAQ over-the-counter market are valued at the last quoted sale price. Lacking a last sale price, a long security is valued at its last bid price except when, in the Adviser's opinion, the last bid price does not accurately reflect the current value of the long security. To the extent these securities are actively traded and valuation adjustments are not applied, they are classified in level 1 of the fair value hierarchy. 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 of Trustees (the "Trustees" or the "Board") and are categorized in level 2 or level 3, when appropriate.

Money market funds. Money market funds are valued at net asset value and are classified in level 1 of the fair value hierarchy.

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, 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, 2016:

Notes to 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 Stocks	\$19,406,611	\$0	\$0	\$19,406,611
Money Market Funds	<u>1,100,991</u>	<u>0</u>	<u>0</u>	<u>1,100,991</u>
Total	\$20,507,602	\$0	\$0	\$20,507,602

Refer to the Fund's Schedule of Investments for a listing of securities by industry. The Fund did not hold any Level 2 or Level 3 assets during the fiscal year ended December 31, 2016. There were no transfers into or out of the levels during the fiscal year ended December 31, 2016. It is the Fund's policy to consider transfers into or out of the levels as of the end of the reporting period.

The Fund did not invest in derivative instruments during the fiscal year ended December 31, 2016.

4.) INVESTMENT ADVISORY AGREEMENT

The Trust, on behalf of the Fund has entered into an investment advisory agreement (the "Management Agreement") with Mundoval Capital Management, 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. 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, acquired fund fees and expenses, 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. The Adviser has agreed to waive a portion of its management fee (the "Fee Waiver") so that the management fee, on an annual basis, does not exceed (i) 1.25% of the Fund's average daily net assets greater than \$25 million and up to and including \$75 million, and (ii) 1.00% of the Fund's average daily net assets greater than \$75 million. The Fee Waiver will automatically terminate on April 30, 2017 unless it is renewed by the Adviser. The Adviser may not terminate the Fee Waiver before April 30, 2017. For the fiscal year ended December 31, 2016, the Adviser earned management fees totaling \$285,068, of which \$25,713 was payable to the Adviser as of December 31, 2016. No management fees were waived during the fiscal year ended December 31, 2016.

Arthur Q. Johnson is the control person of the Adviser and also serves as a trustee/officer of the Trust. 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, for a total of \$3,000, in Trustees fees by the Adviser for the fiscal year ended December 31, 2016. Under the Management Agreement, the Adviser pays these fees.

6.) INVESTMENTS

For the fiscal year ended December 31, 2016, purchases and sales of investment securities other than U.S. Government obligations and short-term investments aggregated \$5,591,286 and \$5,475,995, respectively. There were no purchases or sales of U.S. Government obligations.

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 a fund, under Section 2(a)(9) of the Investment Company Act of 1940. As of December 31, 2016, Arthur Q. Johnson and immediate family members, located at 7855 Ivanhoe Ave., Suite 210, La Jolla, California, beneficially held 54.39% of the Fund, and therefore may be deemed to control the Fund. Mr. Johnson is the President of the Adviser and serves as a trustee/officer of the Trust.

8.) CAPITAL SHARES

The Trust is authorized to issue an unlimited number of shares of beneficial interest for the Fund. Paid in capital for the Fund at December 31, 2016 was \$16,156,739 representing 1,363,075 shares outstanding.

Notes to Financial Statements - continued

9.) TAX MATTERS

For federal income tax purposes, the cost of investments owned at December 31, 2016 was \$16,017,893. At December 31, 2016, 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>
\$5,286,056	(\$796,347)	\$4,489,709

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

Distributions paid from:

	<u>Year Ended</u> <u>December 31, 2016</u>	<u>Year Ended</u> <u>December 31, 2015</u>
Ordinary Income	\$ 132,983*	\$ 86,700
Short-Term Capital Gain	0	0
Long-Term Capital Gain	0	500,983
	<u>\$ 132,983</u>	<u>\$ 587,683</u>

* The difference between ordinary distributions paid from book and ordinary distributions paid from tax relates to \$32,969 of allowable foreign tax credits from the fiscal year ended December 31, 2016, which have been passed through to the Fund's underlying shareholders.

As of December 31, 2016, the components of distributable earnings (accumulated losses) on a tax basis were as follows:

Undistributed ordinary income/(accumulated losses)	\$ 32,715
Undistributed capital gain/(accumulated losses)	(420,947)
Unrealized appreciation/(depreciation)	4,489,709
	<u>\$ 4,101,477</u>

As of December 31, 2016, the differences between book basis and tax basis unrealized appreciation are primarily attributable to the deferral of post-October losses totaling \$56,060.

10.) CAPITAL LOSS CARRYFORWARDS

As of December 31, 2016, the Fund had available for federal tax purposes unused capital loss carryforwards of \$420,947, of which \$3,397 is short-term with no expiration and \$417,550 is long-term with no expiration.

11.) SUBSEQUENT EVENTS

Subsequent events after the date of the Statement of Assets and Liabilities have been evaluated through the date the financial statements were issued. Management has concluded that there is no impact requiring adjustment or disclosure in the financial statements.

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, 2016, 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 five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the 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, 2016, by correspondence with the custodian and brokers. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Mundoval Fund as of December 31, 2016, 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 five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.



COHEN & COMPANY, LTD.
Cleveland, Ohio
February 9, 2017

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⁾ , 55	President, Secretary, Treasurer and Trustee	Indefinite Term, Since 2004	President of Mundoval Capital Management, Inc. (2002 – current),	1	None
Natalie M. Gumina, 34	Chief Compliance Officer	Indefinite Term, Since 2006	Chief Operating Officer and Investment Advisory Representative of Mundoval Capital Management, Inc. (August 2006 – current).	N/A	N/A

(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
Martha G. Dennis, PhD., 74	Trustee	Indefinite Term, Since July 2013	Principal, Gordian Knot (2005 – current).	1	None
Paul J. Dostart, 65	Trustee	Indefinite Term, Since May 2014	Managing Partner of Dostart Hannink & Coveney LLP (1996 – current).	1	None
Selwyn Isakow, 64	Trustee	Indefinite Term, Since February 2012	Chairman & CEO, The Oxford Investment Group, Inc. (1985 – current). Chairman, San Diego Private Bank (2006 – current). Chairman, Private Bancorp of America, Inc. (2015 – 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

Martha G. Dennis, PhD.
Paul J. Dostart
Selwyn Isakow
Arthur Q. Johnson

Investment Adviser

Mundoval Capital Management, Inc.
7855 Ivanhoe Ave., Suite 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.
1939 Friendship Dr., Suite C
El Cajon, CA 92020

**Independent Registered
Public Accounting Firm**

Cohen & Company, Ltd.
1350 Euclid Ave., Suite 800
Cleveland, OH 44115-1877

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.