Mundoval Fund

Semi-Annual Report

June 30, 2012

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Fellow Shareholders,

For the one year period ended June 30, 2012, the Mundoval Fund returned -4.96% versus -4.98% for the MSCI World Index. Since inception date on September 3, 2004, the annualized rate of return for the Mundoval Fund is 4.17% versus 4.32% for the MSCI World Index.

Net assets under management in the Fund as of June 30, 2012 are $13.2 million. During the six month period ended June 30, 2012, several holdings, including Pfizer, Time Warner, Wellpoint Health Net, Novartis and Johnson & Johnson were sold after reaching our estimate of intrinsic value, or to purchase more attractively priced businesses. Sales proceeds were invested during the first half of the year in the telecom businesses of MTN Group in South Africa and Telekom Indonesia.

Positive factors impacting investment performance for the Fund during the six month period ended June 30, 2012 included shares of Bank of America, Microsoft, General Electric and Mastercard. Negative factors impacting investment performance during the same period included shares of Telefonica de Espana, France Telecom and Hewlett-Packard. As of June 30, 2012 the Mundoval Fund owned shares of stock in 29 companies, of which 35% were domestic and 64% were internationally domiciled.

As of the writing of this report, the yield for the 5 and 10 year U.S. Treasury bond is 0.56% and 1.43% respectively. Despite these exceptionally low interest rates in relation to their historical averages, investors continue to allocate more of their personal and retirement savings to bond funds. According to the Investment Company Institute, year to date inflows to Taxable and Municipal Bond Mutual Funds have been approximately $136 billion while Stock Mutual Funds have experienced outflows of approximately $24 million. Bond investors are potentially more at risk today of losing purchasing power, or the ability to buy the same amount of products and services in the future, over the next five to ten years as the interest rate being paid to them could potentially fall far short of the increases in inflation. The average dividend yield of the stocks owned in the Mundoval Fund is a little more than 2.5%. More importantly, our calculations for the intrinsic business values of the companies we own in the fund are significantly greater than their share prices as of June 30, 2012. We will continue to seek out investment opportunities that provide a margin of safety and satisfactory rate of return for our shareholders over time.

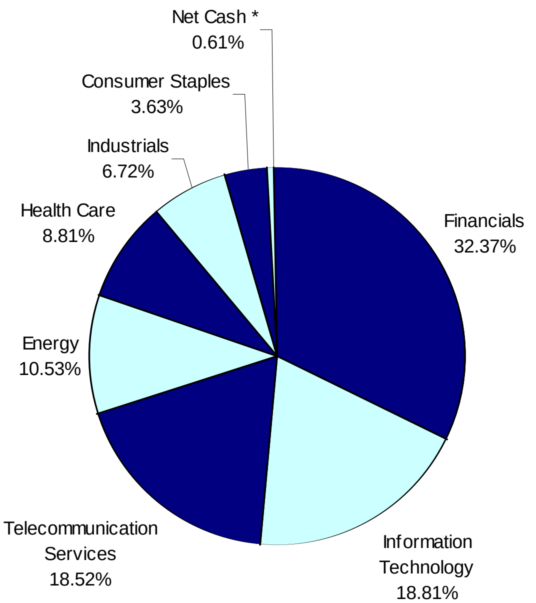
Thank you for your continued support and confidence.

Sincerely,

Arthur Q. Johnson, CFA

Mundoval Fund

by Industry Sectors (as a percentage of Net Assets)
(Unaudited)



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

PERFORMANCE INFORMATION (Unaudited)

AVERAGE ANNUAL RATE OF RETURN (%) FOR PERIODS ENDED JUNE 30, 2012.

June 30, 2012 NAV $11.39

	1 Year(A)	3 Years(A)	5 Years(A)	Since Inception(A)
Mundoval Fund	-4.96%	10.05%	-2.41%	4.17%
MSCI World Index(B)	-4.98%	10.96%	-2.95%	4.32%

(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.

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 January 1, 2012 and held through June 30, 2012.

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 January 1, 2012	Ending Account Value June 30, 2012	Expenses Paid During the Period* January 1, 2012 to June 30, 2012
Actual	$1,000.00	$1,051.71	$7.65
Hypothetical (5% annual return before expenses)	$1,000.00	$1,017.40	$7.52

* Expenses are equal to the Fund's annualized expense ratio of 1.50%, multiplied by the average account value over the period, multiplied by 182/366 (to reflect the one-half year period ended June 30, 2012).

Mundoval Fund

Schedule of Investments
June 30, 2012 (Unaudited)

Shares/Principal Amount		Fair Value	% of Net Assets
COMMON STOCKS			
Beverages			
12,500	Companhia de Bebidas Das Americas **	$ 479,125	3.63%
Commercial Banks, NEC			
82,083	Banco Santander, S.A. **	538,465	
110,000	Mitsubishi UFJ Financial Group, Inc. **	522,500	
		1,060,965	8.03%
Computer & Office Equipment			
19,000	Hewlett-Packard Company	382,090	2.89%
Computer Communications Equipment			
21,000	Cisco Systems Inc.	360,570	2.73%
Crude Petroleum & Natural Gas			
2,500	CNOOC Ltd. **	503,125	3.81%
Diversified Banking Institutions			
30,000	BNP Paribas **	579,600	4.39%
Drawing and Insulating of Nonferrous Wire			
25,000	Corning Inc.	323,250	2.45%
Electronic & Other Electrical Equipment (No Computer Equipment)			
23,000	General Electric Co.	479,320	3.63%
Insurance - Diversified			
33,000	Muenchener Rueckversicherungs-Gesellschaft AG **	466,290	3.53%
Life Insurance			
102,727	Aegon NV * **	474,600	
65,352	ING Groep NV * **	436,551	
		911,151	6.90%
National Commercial Banks			
80,000	Bank of America Corporation	654,400	
22,000	Citigroup, Inc.	603,020	
		1,257,420	9.52%
Oil Company - Integrated			
8,200	LUKOIL Company **	459,856	3.48%
Petroleum Refining			
5,000	Exxon Mobil Corp.	427,850	3.24%
Pharmaceutical Preparations			
9,000	AstraZeneca plc **	402,750	
8,000	GlaxoSmithKline plc **	364,560	
10,500	Sanofi-Aventis **	396,690	
		1,164,000	8.81%
Services - Business Services, NEC			
1,500	Mastercard Incorporated	645,165	4.89%
Services - Computer Programming, Data Processing, Etc.			
700	Google Inc. Class A *	406,049	3.07%
Services - Prepackaged Software			
12,000	Microsoft Corp.	367,080	2.78%
Switchgear & Switchboard Apparatus			
25,000	ABB Ltd. **	408,000	3.09%
Telecommunications			
16,000	America Movil S.A.B. de C.V. **	416,960	
24,000	MTN Group Limited * **	412,560	
32,711	Telefonica SA **	428,509	
		1,258,029	9.53%

* Non-Income Producing Securities.
** ADR - American Depositary Receipt.
The accompanying notes are an integral part of these financial statements.

Mundoval Fund

Schedule of Investments
June 30, 2012 (Unaudited)

Shares/Principal Amount		Fair Value	% of Net Assets
COMMON STOCKS			
Telephone Communications			
7,500	China Mobile Limited **	$ 410,025	
30,000	France Telecom **	393,300	
11,000	P.T. Telekomunikasi Indonesia Tbk **	383,130	
		1,186,455	8.99%
Total for Common Stock (Cost - $13,225,873)		$ 13,125,390	99.39%
Money Market Funds			
7,520	First American Treasury Obligation Fund Cl Y 0.00% *** (Cost - $7,520)	7,520	0.06%
	Total Investments (Cost - $13,233,393)	13,132,910	99.45%
	Other Assets in Excess of Liabilities	72,771	0.55%
	Net Assets	$ 13,205,681	100.00%

SUMMARY OF INVESTMENTS BY COUNTRY

	Fair Value	% of Investment Securities
Brazil	$ 479,125	3.65%
China	410,025	3.12%
France	1,369,590	10.43%
Germany	466,290	3.55%
Hong Kong	503,125	3.83%
Indonesia	383,130	2.92%
Japan	522,500	3.98%
Mexico	416,960	3.18%
Netherlands	911,151	6.94%
Russia	459,856	3.50%
Spain	966,974	7.37%
South Africa	412,560	3.14%
Switzerland	408,000	3.11%
United Kingdom	767,310	5.85%
United States	4,648,794	35.43%
	$ 13,125,390	100.00%

** ADR - American Depositary Receipt.
*** Variable Rate Security; the Yield Rate shown represents the rate at June 30, 2012.
The accompanying notes are an integral part of these financial statements.

Statement of Assets and Liabilities (Unaudited)

June 30, 2012

Assets:	
Investment Securities at Fair Value	$ 13,132,910
(Cost - $13,233,393)	
Dividends Receivable	88,228
Total Assets	13,221,138
Liabilities:	
Payable to Adviser	15,457
Total Liabilities	15,457
Net Assets	$ 13,205,681
Net Assets Consist of:	
Capital Paid In	$ 12,978,086
Accumulated Undistributed Net Investment Income	216,881
Accumulated Realized Gain on Investments - Net	111,197
Unrealized Depreciation in Value of Investments	
Based on Identified Cost - Net	(100,483)
Net Assets, for 1,159,225 Shares Outstanding	$ 13,205,681
(Without par value, unlimited shares authorized)	
Net Asset Value, Offering and Redemption Price	
Per Share ($13,205,681/1,159,225 shares)	$ 11.39

Statement of Operations (Unaudited)

For the six month period ended June 30, 2012

Investment Income:	
Dividends (Net of foreign withholding taxes and fees of $23,566*)	$ 270,835
Interest	9
Total Investment Income	270,844
Expenses:	
Management Fees	96,401
Total Expenses	96,401
Net Investment Income	174,443
Realized and Unrealized Gain/(Loss) on Investments:	
Net Realized Gain/(Loss) on Investments	184,879
Change in Unrealized Appreciation/(Depreciation) on Investments	280,322
Net Realized and Unrealized Gain/(Loss) on Investments	465,201
Net Increase/(Decrease) in Net Assets from Operations	$ 639,644

* 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.

Statements of Changes in Net Assets

	(Unaudited) 1/1/2012 to 6/30/2012	1/1/2011 to 12/31/2011
From Operations:		
Net Investment Income	$ 174,443	$ 121,122
Net Realized Gain/(Loss) on Investments	184,879	(73,682)
Change in Net Unrealized Appreciation/(Depreciation)	280,322	(513,753)
Increase/(Decrease) in Net Assets from Operations	639,644	(466,313)
From Distributions to Shareholders:		
Net Investment Income	-	(79,428)
Net Realized Gain from Security Transactions	-	(64,220)
Change in Net Assets from Distributions	-	(143,648)
From Capital Share Transactions:		
Proceeds From Sale of Shares	919,907	1,727,643
Shares Issued on Reinvestment of Dividends	-	143,648
Cost of Shares Redeemed	(478,778)	(737,883)
Net Increase/(Decrease) from Shareholder Activity	441,129	1,133,408
Net Increase/(Decrease) in Net Assets	1,080,773	523,447
Net Assets at Beginning of Period	12,124,908	11,601,461
Net Assets at End of Period (Including Accumulated Undistributed Net Investment Income of $216,881 and $42,438, respectively)	$ 13,205,681	$ 12,124,908
Share Transactions:		
Issued	80,862	155,323
Reinvested	-	13,438
Redeemed	(41,053)	(65,466)
Net Increase/(Decrease) in Shares	39,809	103,295
Shares Outstanding Beginning of Period	1,119,416	1,016,121
Shares Outstanding End of Period	1,159,225	1,119,416

Financial Highlights

Selected data for a share outstanding throughout the period:	(Unaudited) 1/1/2012 to 6/30/2012	1/1/2011 to 12/31/2011	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
Net Asset Value - Beginning of Period	$ 10.83	$ 11.42	$ 11.18	$ 8.45	$ 13.37	$ 15.12
Net Investment Income (c)	0.15	0.11	0.08	0.14	0.21	0.05
Net Gain/(Loss) on Securities (Realized and Unrealized)	0.41	(0.57)	0.24	2.72	(4.92)	(0.20)
Total from Investment Operations	0.56	(0.46)	0.32	2.86	(4.71)	(0.15)
Distributions (From Net Investment Income)	-	(0.07)	(0.08)	(0.13)	(0.21)	(0.18)
Distributions (From Realized Capital Gains)	-	(0.06)	-	-	- (b)	(1.42)
Total Distributions	-	(0.13)	(0.08)	(0.13)	(0.21)	(1.60)
Net Asset Value - End of Period	$ 11.39	$ 10.83	$ 11.42	$ 11.18	$ 8.45	$ 13.37
Total Return (d)	5.17% ***	(4.01)%	2.87%	33.85%	(35.15)%	(1.09)% ***
Ratios/Supplemental Data						
Net Assets - End of Period (Thousands)	$ 13,206	$ 12,125	$ 11,601	$ 9,784	$ 7,166	$ 11,732
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	2.72% **	1.00%	0.73%	1.51%	1.83%	0.91% **
Portfolio Turnover Rate	13.95% ***	44.38%	33.48%	14.62%	30.10%	3.86% ***

** Annualized. *** Not Annualized.

(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.

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

(d) 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

June 30, 2012

(Unaudited)

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 (2008-2011), or expected to be taken on the Fund's 2012 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 six month period ended June 30, 2012, 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.

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.

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 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 market funds. Money market funds 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 Board. 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, 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 June 30, 2012:

Valuation Inputs of Assets	Level 1	Level 2	Level 3	Total
Common Stock	$13,125,390	$0	$0	$13,125,390
Money Market Funds	7,520	0	0	7,520
Total	$13,132,910	$0	$0	$13,132,910

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 six month period ended June 30, 2012. There were no transfers into or out of the levels during the six month period ended June 30, 2012. It is the Fund's policy to consider transfers into or out of the levels 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. 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 six month period ended June 30, 2012 the Adviser earned management fees totaling $96,401, of which $15,457 was payable to the Adviser as of June 30, 2012.

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 $500 each in Trustees fees by the Adviser for the six month period ended June 30, 2012. Under the Management Agreement, the Adviser pays these fees.

6.) INVESTMENTS
For the six month period ended June 30, 2012, purchases and sales of investment securities other than U.S. Government obligations and short-term investments aggregated $2,339,548 and $1,783,567, respectively. There were no purchases or sales of U.S. Government obligations.

For federal income tax purposes, the cost of investments owned at June 30, 2012 was $13,233,393. At June 30, 2012, the composition of unrealized appreciation (the excess of value over tax cost) and depreciation (the excess of tax cost over value) was as follows:

Appreciation	(Depreciation)	Net Appreciation (Depreciation)
$1,424,766	($1,525,249)	($100,483)

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 June 30, 2012, Ameritrade Inc., located in Omaha Nebraska, held for the benefit of others, in aggregate, 52.59% of the Fund, and therefore may be deemed to control the Fund.

Notes to Financial Statements (Unaudited) - continued

8.) CAPITAL SHARES
At June 30, 2012 an unlimited number of shares of beneficial interest were authorized. 1,159,225 shares were issued and outstanding and paid in capital was $12,978,086.

9.) DISTRIBUTIONS TO SHAREHOLDERS
The tax character of distributions paid during the periods shown below were as follows:

Distributions paid from:

	Six Months Ended June 30, 2012	Year Ended December 31, 2011
Ordinary Income	$ -0-	$ 131,968
Short-Term Capital Gain	-0-	-0-
Long-Term Capital Gain	-0-	11,680
	$ -0-	$ 143,648

10.) CAPITAL LOSS CARRYFORWARDS
As of December 31, 2011, the Fund had available for federal purposes an unused capital loss carryforward of $67,798, which may be used to offset future short-term capital gains and has no expiration. To the extent these carryforwards are used to offset future capital gains, it is probable that the amount that is offset will not be distributed to shareholders.

ADDITIONAL INFORMATION

June 30, 2012

(UNAUDITED)

APPROVAL OF INVESTMENT ADVISORY AGREEMENT

On February 8, 2012, the Board of Trustees (the “Trustees” or the “Board”) for the Mundoval Fund met to consider the renewal of the Management Agreement (the "Agreement"). In renewing the Agreement, the Board of Trustees considered and evaluated the following factors: (i) the investment performance of the Fund and the investment adviser (the “Adviser”); (ii) the nature, extent and quality of the services provided by the Adviser to the Fund; (iii) the cost of the services provided and the profits realized by the Adviser and its affiliates from the relationship with the Fund; (iv) the extent to which economies of scale will be realized as the Fund grows; and (v) whether the fee levels reflect these economies of scale to the benefit of shareholders.

The Board met with representatives of the Adviser to discuss the terms of the Agreement. The Board reviewed the history of the Adviser, including background and investment management experience, as well as the Fund's performance for the last fiscal year, important factors relating to the fund's performance, the Adviser's investment and research strategy, the Adviser's strength, and expected expenses and revenue from the Fund.

The Board gave careful consideration to factors deemed relevant to the Trust and the Fund as well as the nature, extent and quality of the services to be provided by the Adviser and the performance of the Fund since commencement of operations. The Trustees analyzed the Adviser's experience and the capabilities of the portfolio manager. The Trustees reviewed and discussed the Adviser's Form ADV, internal compliance policies and financials. The Trustees also compared the Fund's management fee and total annual operating expenses with those of comparable funds.

As to the performance of the Fund, the materials from the Adviser included information regarding the Fund's performance compared to a peer group of 27 similar funds. The Trustees noted that the Fund performed within the range of its peers. It was noted that the Mundoval Fund was down 4.01% for the 1 year period ended December 31, 2011 compared to -7.54% for the peer group and -5.54% for the MSCI World Index. Since inception, the Mundoval Fund returned an average of 3.75% compared to 3.80% for the MSCI World Index. The Adviser stated that the Fund had underperformed the MSCI World index slightly for the three year annualized period and the since inception period ended December 31, 2011, but out performed the MSCI World Index for the one and five year periods. Additionally, the Adviser stated that the Fund underperformed its peer group only for the three year period ended December 31, 2011, but out performed its peer group for the one and five year periods. The Adviser further explained that the underperformance during the three year period was related to exposure to several sectors that underperformed. The Adviser further stated that the companies he buys for the Fund typically perform well over the long-term. The Trustees then reviewed the performance of other accounts managed by the Adviser with a comparable mandate.

As to the nature, extent and quality of the services provided by the Adviser, the Trustees analyzed the Adviser's experience and capabilities. Representatives from the Adviser summarized the information provided to the Board. The Trustees discussed the Adviser's financial condition, the portfolio manager's background and investment management experience. The Board noted that there were no changes in the personnel managing the Fund or in the business or organization of the Adviser. The representatives of the Adviser reviewed and discussed with the Board the Adviser's ADV and the 17j-1 certifications. Representatives from the Adviser also discussed the its’ financial stability. After reviewing the foregoing and further information from the Adviser, the Board concluded that the quality, extent, and nature of the services being provided by the Adviser were satisfactory and adequate.

As to the cost of the services to be provided and the profits to be realized by the Adviser and its affiliates from the relationship with the Fund, it was noted that the Adviser is paying substantially all operating expenses of the Fund. Additionally, the Adviser provides the Fund with officers, including the CCO, marketing support and office space. Representatives from the Adviser reviewed a summary of the Adviser's profitability resulting from the services provided to the Fund for the period since the last renewal, and it was noted that the effective net management fee after payment of direct expenses is less than 0.50% due to the small size of the Fund. The Trustees also compared the Fund's management fee and total annual operating expenses with those of comparable funds.

Additional Information (Unaudited) - continued

Turning to the level of the management fee, the Trustees were presented with a comparative analysis of advisory fees and expense ratios based on publicly available data and drawn from its peer group. Included in the comparison were funds with similar asset ranges. It was noted that while the Adviser's management fee was one of the higher in the peer group, the Adviser is responsible under the Agreement for paying all but a very small fraction of the Fund's expenses out of the management fee. The Trustees also noted that the Fund's audited expense ratio of 1.50% was less than the average audited expense ratio of 1.75% for the peer group. Finally, the Trustees reviewed information regarding fees charged by the Adviser for separate accounts. The Board noted that the Adviser is paid 1.00% for separate accounts management, but does not provide the same comprehensive level of services to separate accounts as is provided to the Fund. Furthermore, the Board noted that the effective management fee rate after the Adviser pays expenses for the Fund is substantially less than the peer group average of 0.86%. Having considered the comparative data as described above, the Trustees concluded that the management fee and expense ratio were reasonable.

As for potential economies of scale, the Trustees discussed and considered information regarding whether there have been economies of scale with respect to the management of the Fund, whether the Fund has appropriately benefited from any economies of scale, and whether there is potential for realization of any further economies of scale. The Trustees noted that the Adviser represented to the Board that the Adviser would consider including breakpoints in the management fee as the Fund grows, thereby benefiting shareholders.

Next, the independent Trustees met in executive session to discuss the continuation of the Agreement. The officers of the Trust were excused during this discussion.

Upon reconvening the meeting, the Trustees reported that after further consideration, they were satisfied with the performance of the Fund. They concluded that the nature and extent of services provided by the Adviser was consistent with the Board's expectations. The Trustees also concluded that the Adviser has sufficient resources and had provided quality advisory services to the Fund. The Board agreed that the fees in the Agreement were reasonable and that the Adviser was slightly profitable. The Trustees agreed that economies of scale would not be a material consideration until the Fund is substantially larger. It was the consensus of the Trustees, including the independent Trustees, that renewal of the Management Agreement would be in the best interests of the Fund.

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