

Mundoval Fund

SEMI-ANNUAL REPORT

June 30, 2013

**Mundoval Fund
Semi-Annual Report
June 30, 2013**

Fellow Shareholders,

For the one year period ended June 30, 2013, the Mundoval Fund (the "Fund") returned 23.31% versus 18.58% for the MSCI World Index. Since inception date on September 3, 2004, the annualized rate of return for the Mundoval Fund is 6.18% versus 5.84% for the MSCI World Index.

Net assets under management in the Fund as of June 30, 2013 are \$16.68 million. During the six month holding period ended June 30, 2013, several holdings, including ABB, Exxon Mobil, Cisco Systems, Microsoft, Corning and Hewlett Packard were sold after reaching our estimate of intrinsic value, or to purchase more attractively priced businesses. Sales proceeds were invested in the first half of the year in Chinese internet search engine provider, Baidu, mining equipment manufacturer, Joy Global and oil & gas equipment manufacturer, National Oilwell Varco Inc.

Positive factors impacting investment performance for the Fund during the six month period ended June 30, 2013 included shares of Staples Inc., American International Group, Viacom Inc., and Citigroup Inc. Negative factors impacting investment performance for the Fund during the six month period ended June 30, 2013 included shares of Apple Inc., CNOOC Ltd., Lukoil and France Telecom. As of June 30, 2013 the Mundoval Fund owned shares of stock in 27 companies of which 40% were domestic 57% were internationally domiciled.

The recent uncertainty and volatility experienced by investors in the capital markets is directly related to the reality that the Federal Reserve is slowing down the use of easing fiscal policy to jump start our post recession economy with ultra low and unsustainable interest rates. The interest rate on the 10-Year U.S. Treasury bills increased from 1.8% in early May to 2.55% at the end of June. Despite the ensuing volatility, world stock market averages in general are higher at the end of June than in March.

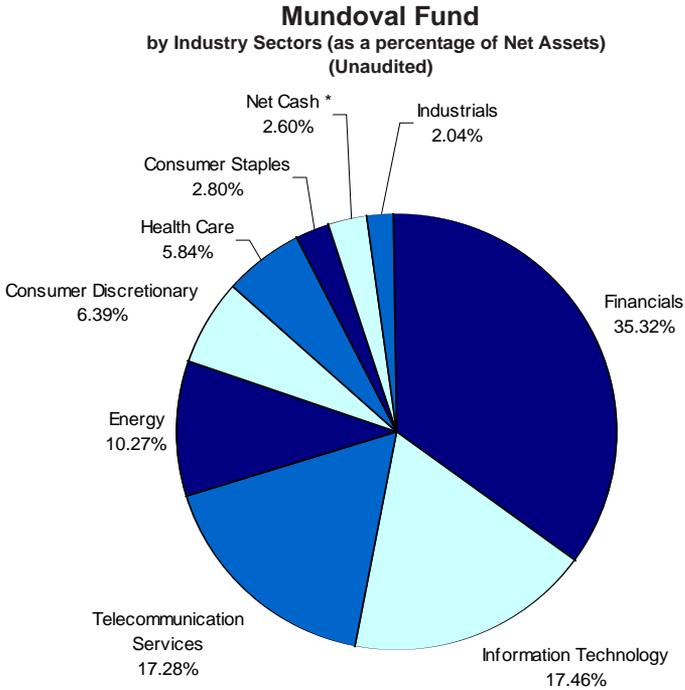
Emerging Markets are the worst performing sector year-to-date, yet, in our opinion, offer some of the most attractive investment opportunities. Chinese businesses, Baidu, China Mobile and CNOOC Ltd. are selling for prices that are less than our estimation of their intrinsic values. Wireless phone service providers, MTN Group (Africa & the Middle East) and American Movil (Mexico and Latin America), continue to grow their subscriber bases despite short-term concerns about stability in those regions of the world. Russian integrated oil & gas producer, Lukoil, sells for four times earnings and approximately 60% of its tangible book value per share. We have taken advantage of the recent volatility and increased our allocations to many of these businesses at cheaper prices, thereby enhancing our margin of safety and ability to earn a satisfactory rate of return over time.

Thank you for your confidence and continued support.

Sincerely yours,

Arthur Q. Johnson, CFA

Mundoval Fund



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

PERFORMANCE INFORMATION (Unaudited)

AVERAGE ANNUAL RATE OF RETURN (%) FOR PERIODS ENDED JUNE 30, 2013.

June 30, 2013 NAV \$13.81

	<u>1 Year</u> ^(A)	<u>3 Years</u> ^(A)	<u>5 Years</u> ^(A)	<u>7 Years</u> ^(A)	<u>Since Inception</u> ^(A)
Mundoval Fund	23.31%	13.32%	4.28%	4.66%	6.18%
MSCI World Index ^(B)	18.58%	13.70%	2.70%	3.37%	5.84%

^(A) 1 Year, 3 Years, 5 Years, 7 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. 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 January 1, 2013 and held through June 30, 2013.

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, 2013	Ending Account Value June 30, 2013	Expenses Paid During the Period* January 1, 2013 to June 30, 2013
Actual	\$1,000.00	\$1,059.86	\$7.66
Hypothetical (5% annual return before expenses)	\$1,000.00	\$1,017.36	\$7.50

* Expenses are equal to the Fund's annualized expense ratio of 1.50%, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period ended June 30, 2013).

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.

Mundoval Fund

Schedule of Investments June 30, 2013 (Unaudited)

Shares	Fair Value	% of Net Assets
COMMON STOCKS		
Beverages		
12,500 Companhia de Bebidas Das Americas **	\$ 466,875	2.80%
Cable & Other Pay Television Services		
7,500 Viacom Inc. Class B	510,225	3.06%
Commercial Banks, NEC		
110,000 Mitsubishi UFJ Financial Group, Inc. **	683,100	4.09%
Crude Petroleum & Natural Gas		
3,500 CNOOC Ltd. **	586,180	3.51%
Diversified Banking Institutions		
30,000 BNP Paribas **	825,600	4.95%
Electronic Computers		
2,000 Apple Inc.	793,060	4.75%
Fire, Marine & Casualty Insurance		
15,000 American International Group, Inc. *	670,500	4.02%
Insurance - Diversified		
33,000 Muenchener Rueckversicherungs-Gesellschaft AG **	607,200	3.64%
Life Insurance		
90,172 Aegon NV **	609,563	
63,052 ING Groep NV ***	573,143	
	1,182,706	7.09%
Mining Machinery & Equipment (No Oil & Gas Field Machinery & Equipment)		
7,000 Joy Global Inc.	339,710	2.04%
National Commercial Banks		
75,000 Bank of America Corporation	964,500	
20,000 Citigroup, Inc.	959,400	
	1,923,900	11.53%
Oil & Gas Field Machinery & Equipment		
8,000 National Oilwell Varco, Inc.	551,200	3.30%
Oil Company - Integrated		
10,000 LUKOIL Company **	576,500	3.46%
Pharmaceutical Preparations		
9,000 AstraZeneca plc **	425,700	
14,000 Teva Pharmaceutical Industries Limited **	548,800	
	974,500	5.84%
Retail - Miscellaneous Shopping Goods Stores		
35,000 Staples, Inc.	555,450	3.33%
Services - Business Services, NEC		
1,300 Mastercard Incorporated	746,850	4.48%
Services - Computer Programming, Data Processing, Etc.		
8,000 Baidu, Inc. ***	756,816	
700 Google Inc. Class A *	616,259	
	1,373,075	8.23%
Telecommunications		
28,000 America Movil S.A.B. de C.V. **	609,000	
31,000 MTN Group Limited **	575,360	
32,710 Telefonica SA **	419,015	
	1,603,375	9.61%
Telephone Communications		
11,000 China Mobile Limited **	569,470	
30,000 France Telecom **	283,500	
10,000 P.T. Telekomunikasi Indonesia Tbk **	427,400	
	1,280,370	7.67%
Total for Common Stocks (Cost - \$13,849,900)	\$ 16,250,376	97.40%

* 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, 2013 (Unaudited)

Shares		Fair Value	% of Net Assets
Money Market Funds			
434,828	First American Treasury Obligation Fund CI Y 0.00% *** (Cost - \$434,828)	\$ 434,828	2.60%
	Total Investments (Cost - \$14,284,728)	16,685,204	100.00%
	Liabilities in Excess of Other Assets	(694)	0.00%
	Net Assets	\$ 16,684,510	100.00%

SUMMARY OF INVESTMENTS BY COUNTRY

	Fair Value	% of Investment Securities
Brazil	\$ 466,875	2.87%
China	569,470	3.50%
France	1,109,100	6.83%
Germany	607,200	3.74%
Hong Kong	586,180	3.61%
Indonesia	427,400	2.63%
Israel	548,800	3.38%
Japan	683,100	4.20%
Mexico	609,000	3.75%
Netherlands	1,182,706	7.28%
Russia	576,500	3.55%
Spain	419,015	2.58%
South Africa	575,360	3.54%
United Kingdom	425,700	2.62%
United States	7,463,970	45.92%
	\$ 16,250,376	100.00%

*** Variable Rate Security; the Yield Rate shown represents the rate at June 30, 2013.

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

Mundoval Fund

Statement of Assets and Liabilities (Unaudited)

June 30, 2013

Assets:	
Investment Securities at Fair Value	\$ 16,685,204
(Cost - \$14,284,728)	
Dividends & Interest Receivable	<u>69,089</u>
Total Assets	16,754,293
Liabilities:	
Payable to Adviser	20,663
Payable for Securities Purchased	<u>49,120</u>
Total Liabilities	<u>69,783</u>
Net Assets	<u>\$ 16,684,510</u>
Net Assets Consist of:	
Capital Paid In	\$ 13,628,252
Accumulated Undistributed Net Investment Income	105,210
Accumulated Undistributed Realized Gain on Investments - Net	550,572
Unrealized Appreciation in Value of Investments	
Based on Identified Cost - Net	<u>2,400,476</u>
Net Assets, for 1,208,106 Shares Outstanding	<u>\$ 16,684,510</u>
(Without par value, unlimited shares authorized)	
Net Asset Value, Offering and Redemption Price	
Per Share (\$16,684,510/1,208,106 shares)	\$ 13.81

Statement of Operations (Unaudited)

For the six month period ended June 30, 2013

Investment Income:	
Dividends (Net of ADR fees of \$3,929)	\$ 233,247
Interest	5
Foreign Taxes Withheld *	<u>(22,081)</u>
Total Investment Income	211,171
Expenses:	
Management Fees	<u>121,293</u>
Total Expenses	121,293
Net Investment Income	89,878
Realized and Unrealized Gain on Investments:	
Net Realized Gain on Investments	521,152
Change in Unrealized Appreciation on Investments	<u>329,175</u>
Net Realized and Unrealized Gain on Investments	<u>850,327</u>
Net Increase in Net Assets from Operations	<u>\$ 940,205</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.

Mundoval Fund

Statements of Changes in Net Assets

	(Unaudited)	
	1/1/2013 to 6/30/2013	1/1/2012 to 12/31/2012
From Operations:		
Net Investment Income	\$ 89,878	\$ 229,282
Net Realized Gain on Investments	521,152	103,102
Change in Net Unrealized Appreciation	<u>329,175</u>	<u>2,452,106</u>
Increase in Net Assets from Operations	940,205	2,784,490
From Distributions to Shareholders:		
Net Investment Income	-	(256,388)
Net Realized Gain from Security Transactions	-	-
Change in Net Assets from Distributions	<u>-</u>	<u>(256,388)</u>
From Capital Share Transactions:		
Proceeds From Sale of Shares	377,943	1,340,727
Shares Issued on Reinvestment of Dividends	-	256,388
Cost of Shares Redeemed	<u>(129,038)</u>	<u>(754,725)</u>
Net Increase from Shareholder Activity	248,905	842,390
Net Increase in Net Assets	1,189,110	3,370,492
Net Assets at Beginning of Period	<u>15,495,400</u>	<u>12,124,908</u>
Net Assets at End of Period		
(Including Accumulated Undistributed Net Investment Income of \$105,210 and \$15,332, respectively)	<u>\$ 16,684,510</u>	<u>\$ 15,495,400</u>
Share Transactions:		
Issued	28,116	114,431
Reinvested	-	19,844
Redeemed	<u>(9,351)</u>	<u>(64,350)</u>
Net Increase in Shares	18,765	69,925
Shares Outstanding Beginning of Period	<u>1,189,341</u>	<u>1,119,416</u>
Shares Outstanding End of Period	<u>1,208,106</u>	<u>1,189,341</u>

Financial Highlights

Selected data for a share outstanding throughout the period:	(Unaudited)					
	1/1/2013 to 6/30/2013	1/1/2012 to 12/31/2012	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
Net Asset Value -						
Beginning of Period	\$ 13.03	\$ 10.83	\$ 11.42	\$ 11.18	\$ 8.45	\$ 13.37
Net Investment Income ^(a)	0.07	0.20	0.11	0.08	0.14	0.21
Net Gain/(Loss) on Securities (Realized and Unrealized)	<u>0.71</u>	<u>2.22</u>	<u>(0.57)</u>	<u>0.24</u>	<u>2.72</u>	<u>(4.92)</u>
Total from Investment Operations	0.78	2.42	(0.46)	0.32	2.86	(4.71)
Distributions (From Net Investment Income)	-	(0.22)	(0.07)	(0.08)	(0.13)	(0.21)
Distributions (From Realized Capital Gains)	<u>-</u>	<u>-</u>	<u>(0.06)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Distributions	-	(0.22)	(0.13)	(0.08)	(0.13)	(0.21)
Net Asset Value -						
End of Period	<u>\$ 13.81</u>	<u>\$ 13.03</u>	<u>\$ 10.83</u>	<u>\$ 11.42</u>	<u>\$ 11.18</u>	<u>\$ 8.45</u>
Total Return ^(c)	5.99% *	22.37%	(4.01)%	2.87%	33.85%	(35.15)%
Ratios/Supplemental Data						
Net Assets - End of Period (Thousands)	\$ 16,685	\$ 15,495	\$ 12,125	\$ 11,601	\$ 9,784	\$ 7,166
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	1.11% **	1.69%	1.00%	0.73%	1.51%	1.83%
Portfolio Turnover Rate	18.82% *	28.79%	44.38%	33.48%	14.62%	30.10%

* Not annualized.

** Annualized.

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

(b) Per share amount less than \$0.005.

(c) 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, 2013

(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 (2010-2012), or expected to be taken on the Fund's 2013 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, 2013, 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 (Unaudited) - 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 and liabilities measured at fair value on a recurring basis follows.

Equity securities (common stocks, including ADRs). 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 deter-

Notes to Financial Statements (Unaudited) - continued

mining 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, 2013:

<u>Valuation Inputs of Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common Stocks	\$16,250,376	\$0	\$0	\$16,250,376
Money Market Funds	<u>434,828</u>	<u>0</u>	<u>0</u>	<u>434,828</u>
Total	\$16,685,204	\$0	\$0	\$16,685,204

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, 2013. There were no transfers into or out of the levels during the six month period ended June 30, 2013. 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 six month period ended June 30, 2013.

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, 2013, the Adviser earned management fees totaling \$121,293, of which \$20,663 was payable to the Adviser as of June 30, 2013.

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, 2013. Under the Management Agreement, the Adviser pays these fees.

6.) INVESTMENTS

For the six month period ended June 30, 2013, purchases and sales of investment securities other than U.S. Government obligations and short-term investments aggregated \$3,013,369 and \$3,008,877, 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, 2013 was \$14,284,728. At June 30, 2013, 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>
\$3,358,217	(\$957,741)	\$2,400,476

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

Notes to Financial Statements (Unaudited) - continued

Act of 1940. As of June 30, 2013, Arthur Q. Johnson, located at 6929 Fairway Road, La Jolla, California, beneficially held, in aggregate, 52.76% of the Fund, and therefore may be deemed to control the Fund.

8.) CAPITAL SHARES

At June 30, 2013 an unlimited number of shares of beneficial interest were authorized. 1,208,106 shares were issued and outstanding and paid in capital was \$13,628,252.

9.) DISTRIBUTIONS TO SHAREHOLDERS

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

Distributions paid from:

	<u>Six Month Period</u> <u>Ended June 30, 2013</u>	<u>Year Ended</u> <u>December 31, 2012*</u>
Ordinary Income	\$ 0	\$ 313,255
Long-Term Capital Gain	<u>0</u>	<u>0</u>
	<u>\$ 0</u>	<u>\$ 313,255</u>

* The difference between ordinary distributions paid from book and ordinary distributions paid from tax relates to \$56,867 of allowable foreign tax credits from the fiscal year ended December 31, 2012, which have been passed through to the Fund's underlying shareholders.

10.) RECENT ACCOUNTING PRONOUNCEMENT

In January, 2013, the FASB issue ASU No. 2013-01 "Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities" in GAAP and International Reporting Financial Standards ("IFRS"). ASU No. 2013-01 clarifies ASU No. 2011-11, Disclosures about Offsetting Assets and Liabilities to increase comparability and reduce presentation differences between financial statements prepared in accordance with GAAP and financial statements prepared in accordance with IFRS. This requires increased disclosure about derivative instruments that are offset in a reporting entity's Statement of Assets and Liabilities and derivative instruments that are subject to a master netting agreement ("MNA"). Specifically, the ASU requires reporting entities to present separately for assets and liabilities, a) the gross amounts of those recognized assets and recognized liabilities, b) the amount offset to determine the net amounts presented in the Statement of Assets and Liabilities, c) the net amount presented in the Statement of Assets and Liabilities, d) the amount subject to an enforceable MNA not included in (b), and e) the net amount after deducting the amounts from (d) and (c). The effective date of the ASU is for interim and annual periods beginning on or after January 1, 2013. Management has evaluated and concluded that there is no impact of the ASU on the financial statements of the Fund for the six month period ended June 30, 2013.

ADDITIONAL INFORMATION

June 30, 2013

(UNAUDITED)

APPROVAL OF INVESTMENT ADVISORY AGREEMENT

On February 13, 2013, the Board of Trustees (the "Trustees" or the "Board") for the Mundoval Fund (the "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 32 similar funds. The Trustees noted that the Fund performed within the range of its peers. It was noted that the Mundoval Fund was up 22.37% for the 1 year period ended December 31, 2012 compared to 13.96% for the peer group and 15.83% for the MSCI World Index. Since inception, the Mundoval Fund returned an average of 5.82% compared to 5.18% for the MSCI World Index. Representatives of the Adviser stated that the Fund had underperformed the MSCI World index slightly for the three year annualized period ended December 31, 2012, but out performed the MSCI World Index for the one and five year periods. Additionally, representatives of the Adviser stated that the Fund outperformed its peer group for the one, three and five year periods ended December 31, 2012. Representatives of the Adviser further explained that the outperformance during the one, three and five year periods was related to exposure to several sectors and companies 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 of 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 of the Adviser also discussed the Adviser's 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 of 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, noting the Adviser's operating margin of approximately 39%. 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 the highest 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 Board noted that the effective net management fee after payment of direct expenses is less than 0.60% due to the small size of the Fund. The Trustees also noted that the Fund's audited expense ratio of 1.50% was less than the average audited expense ratio of 1.71% 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 was less than the peer group average of 0.79%. 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.

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 and its shareholders.

Board of Trustees

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Selwyn Isakow
Arthur Q. Johnson

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