

# Mundoval Fund

## SEMI-ANNUAL REPORT

February 28, 2007

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**Mundoval Fund  
Semi-Annual Report  
February 28, 2007**

Fellow Shareholders,

For the one year period ending February 28, 2007, the Mundoval Fund returned 14.77% versus 15.86% for the MSCI World Index. Since inception on September 3, 2004 the annualized rate of return for the Mundoval Fund has been 14.72% versus 17.42% for the MSCI World Index.

Since our last shareholder report on August 31, 2006, assets under management in the Mundoval Fund have grown to more than \$13 million. New holdings include BASF, Ingersoll Rand, Minnesota Mining & Manufacturing, British Petroleum Plc, Illinois Tool Works, Astra Zeneca, Tele Norte Leste Participacoes SA, Amgen, Cadbury Schweppes and Pearson Plc. We sold our positions in Laboratory Corp of America and Mitsubishi UFJ Financial because we believed both businesses to be fairly priced relative to their intrinsic business values. We also reduced our holding in China Mobile Ltd., the Chinese wireless telecommunication firm, in order to rebalance our position and provide additional liquidity for future purchases.

The fund's largest industry allocation is to pharmaceutical businesses. Sanofi-Aventis, Pfizer and Astra Zeneca account for 7.3% of fund assets. Food & Kindred Products represent 6.4% of fund assets via Nestle, Unilever and Altria Corporation. Ingersoll Rand and Illinois Tool Works, both of which are Industrial Machinery businesses, account for 5.2% of fund assets.

Holdings that enhanced the investment performance of the fund during the previous six months include Cisco Systems, News Corporation, Taiwan Semiconductor and Nike. Holdings that impeded the investment performance of the fund during the previous six months include Sanofi-Aventis, Pfizer, Tele Norte Leste and Amgen.

The Mundoval Fund adheres to an investment philosophy that is based on value. Our patterns of operation will attempt to reduce the risk of permanent capital loss by purchasing common stock in businesses at prices we believe are less than their intrinsic values. Our scope is global, as we seek to own businesses that are leaders in their industries with the ability to generate discretionary cash flows to enhance value for shareholders.

Thank you for your continued support & confidence.

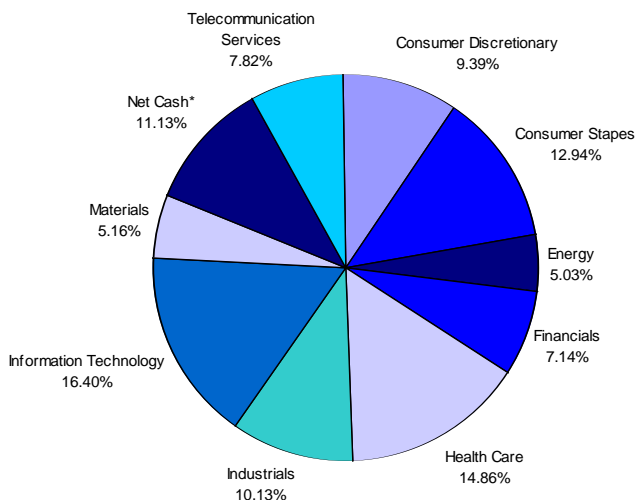
Sincerely,

Arthur Q. Johnson, CFA  
Portfolio Manager

# Mundoval Fund (Unaudited)

## Mundoval Fund

by Industry Sectors (as a percentage of Net Assets)



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

### PERFORMANCE INFORMATION

AVERAGE ANNUAL RATE OF RETURN (%) FOR PERIODS ENDED FEBRUARY 28, 2007.

February 28, 2007 NAV \$13.78

	1 Year <sup>(A)</sup>	Since Inception <sup>(A)</sup>
Mundoval Fund	14.77%	14.72%
MSCI World Index <sup>(B)</sup>	15.86%	17.42%

<sup>(A)</sup> 1 Year 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.

<sup>(B)</sup>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 on the Fund's website at [www.mundoval.com](http://www.mundoval.com). It 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>.

## Disclosure of Expenses (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 August 31, 2006 and held through February 28, 2007.

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 August 31, 2006	Ending Account Value February 28, 2007	Expenses Paid During the Period* August 31, 2006 to February 28, 2007
Actual	\$1,000.00	\$1,082.77	\$7.75
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% for the period of August 31, 2006 to February 28, 2007, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period).

# Mundoval Fund

## Schedule of Investments February 28, 2007 (Unaudited)

Shares/Principal Amount	Market Value	% of Net Assets
<b>COMMON STOCKS</b>		
<b>Biological Products, (No Diagnostic Substances)</b>		
5,000 Amgen Inc. *	\$ 321,300	2.44%
<b>Books: Publishing or Publishing &amp; Printing</b>		
19,000 Pearson plc **	294,880	2.24%
<b>Bottled &amp; Canned Soft Drinks &amp; Carbonated Waters</b>		
7,000 Cadbury Schweppes plc **	301,210	2.29%
<b>Cement, Hydraulic</b>		
9,500 Cemex SA de CV **	322,810	2.46%
<b>Chemicals &amp; Allied Products</b>		
3,500 BASF AG **	355,985	2.71%
<b>Commercial Banks, NEC</b>		
5,700 Citigroup Inc.	287,280	2.19%
<b>Computer Communications Equipment</b>		
14,000 Cisco Systems Inc. *	363,160	2.76%
<b>Crude Petroleum &amp; Natural Gas</b>		
4,000 CNOOC Ltd. **	322,120	2.45%
<b>Electronic Computers</b>		
14,500 Dell Inc. *	331,325	2.52%
<b>Electronic Connectors</b>		
10,000 Tyco International Ltd.	308,300	2.35%
<b>Finance Services</b>		
13,500 First Data Corp.	344,655	2.62%
<b>Fire, Marine &amp; Casualty Insurance</b>		
4,800 American International Group Inc.	322,080	2.45%
<b>Food and Kindred Products</b>		
3,000 Altria Group Inc.	252,840	
2,900 Nestle SA * **	270,280	
11,500 Unilever plc **	309,235	
	832,355	6.33%
<b>General Industrial Machinery &amp; Equipment</b>		
6,500 Illinois Tool Works Inc.	336,050	
8,000 Ingersoll-Rand Co. Ltd.	346,480	
	682,530	5.19%
<b>Life Insurance</b>		
7,700 ING Groep NV ***	329,021	2.50%
<b>Malt Beverages</b>		
5,500 Anheuser-Busch Companies Inc.	269,940	2.05%
<b>Newspapers: Publishing or Publishing &amp; Printing</b>		
14,500 News Corporation *	345,680	2.63%
<b>Perfumes, Cosmetics &amp; Other Toilet Preparations</b>		
4,000 Colgate-Palmolive Co.	269,440	2.05%
<b>Petroleum Refining</b>		
5,500 BP plc **	339,020	2.58%
<b>Pharmaceutical Preparations</b>		
6,000 AstraZeneca plc **	336,780	
6,000 Glaxosmithkline plc **	337,020	
5,200 Johnson & Johnson	327,860	
12,500 Pfizer Inc.	312,000	
7,500 Sanofi-Aventis **	318,075	
	1,631,735	12.41%

\*Non-Income Producing Securities.

\*\*ADR - American Depository Receipt.

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

# Mundoval Fund

## Schedule of Investments February 28, 2007 (Unaudited)

Shares/Principal Amount	Market Value	% of Net Assets
<b>COMMON STOCKS</b>		
<b>Radiotelephone Communications</b>		
25,000 Tele Norte Leste Participacoes S.A. **	324,250	
10,000 Telefonos de Mexico SA de CV **	290,400	
4,000 Vodafone Group plc **	<u>111,600</u>	
	726,250	5.53%
<b>Rubber &amp; Plastics Footwear</b>		
3,100 Nike Inc. Cl B	<u>323,857</u>	2.47%
<b>Semiconductors &amp; Related Devices</b>		
28,264 Taiwan Semiconductor Manufacturing Co. Ltd.**	313,730	
15,000 Intel Corp.	<u>297,900</u>	
	611,630	4.65%
<b>Services-Business Services, NEC</b>		
9,000 Western Union Co.	<u>195,030</u>	1.48%
<b>Services-Prepackaged Software</b>		
11,000 Microsoft Corp.	<u>309,870</u>	2.36%
<b>Soap, Detergents, Cleaning Preparations, Perfumes, Cosmetics</b>		
4,700 Procter & Gamble Co.	<u>298,403</u>	2.27%
<b>Surgical &amp; Medical Instruments &amp; Apparatus</b>		
4,600 3M Co.	<u>340,768</u>	2.59%
<b>Telephone Communications</b>		
6,500 China Mobile Hong Kong Ltd. **	<u>301,795</u>	2.30%
<b>Total for Common Stock (Cost - \$ 10,049,495)</b>	<u>\$ 11,682,429</u>	88.87%
<b>Cash Equivalents</b>		
1,486,542 First American Treasury Obligation Fund Cl Y 4.87% *** (Cost - \$1,486,542)	<u>1,486,542</u>	11.31%
Total Investments (Cost - \$11,536,037)	13,168,971	100.18%
Liabilities in Excess of Other Assets	<u>(23,448)</u>	-0.18%
Net Assets	<u>\$ 13,145,523</u>	100.00%

\*Non-Income Producing Securities.

\*\*ADR - American Depositary Receipt.

\*\*\* Variable Rate Security; The Yield Rate shown represents the rate at August 31, 2006.

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

# Mundoval Fund

## Statement of Assets and Liabilities

February 28, 2007 (Unaudited)

Assets:	
Investment Securities at Market Value	\$ 13,168,971
(Cost - \$11,536,037)	
Cash	1,500
Receivable for Securities Sold	57,728
Receivable for Fund Shares Sold	63,596
Dividend Receivable	29,296
Interest Receivable	6,104
Total Assets	<u>13,327,195</u>
Liabilities:	
Payable for Securities Purchased	166,278
Payable to Adviser	15,394
Total Liabilities	<u>181,672</u>
Net Assets	<u>\$ 13,145,523</u>
Net Assets Consist of:	
Capital Paid In	\$ 11,278,925
Accumulated Net Investment Income	16,632
Accumulated Undistributed Realized Gain (Loss) on Investments - Net	217,032
Unrealized Appreciation in Value of Investments	
Based on Identified Cost - Net	<u>1,632,934</u>
Net Assets, for 954,194 Shares Outstanding	<u>\$ 13,145,523</u>
(No par value, unlimited shares authorized)	
Net Asset Value, Offering and Redemption Price	
Per Share (\$13,145,523/954,194 shares)	\$ 13.78

## Statement of Operations

For the six months ended February 28, 2007 (Unaudited)

Investment Income:	
Dividends (Net of foreign taxes of \$8,380)	\$ 27,238
Interest	<u>79,074</u>
Total Investment Income	106,312
Expenses:	
Investment Adviser Fees	<u>75,349</u>
Total Expenses	75,349
Net Investment Income	30,963
Realized and Unrealized Gain (Loss) on Investments:	
Realized Gain on Investments	226,634
Change in Unrealized Appreciation on Investments	<u>386,294</u>
Net Realized and Unrealized Gain on Investments	612,928
Net Increase in Net Assets from Operations	<u>\$ 643,891</u>

# Mundoval Fund

## Statements of Changes in Net Assets

	(Unaudited)	
	9/1/2006 to 2/28/2007	9/1/2005 to 8/31/2006
From Operations:		
Net Investment Income	\$ 30,963	\$ 60,336
Net Realized Gain (Loss) on Investments	226,634	92,606
Change in Net Unrealized Appreciation	<u>386,294</u>	<u>921,973</u>
Increase in Net Assets from Operations	643,891	1,074,915
From Distributions to Shareholders:		
Net Investment Income	(64,674)	(41,609)
Net Realized Gain from Security Transactions	<u>(92,581)</u>	<u>-</u>
Change in Net Assets from Distributions	(157,255)	(41,609)
From Capital Share Transactions:		
Proceeds From Sale of Shares	5,197,150	1,778,127
Shares Issued on Reinvestment of Dividends	157,255	11,900
Cost of Shares Redeemed	<u>(268,351)</u>	<u>(50,605)</u>
Net Increase from Shareholder Activity	<u>5,086,054</u>	<u>1,739,422</u>
Net Increase in Net Assets	5,572,690	2,772,728
Net Assets at Beginning of Period	<u>7,572,833</u>	<u>4,800,105</u>
Net Assets at End of Period (Including Accumulated Undistributed Net Investment Income of \$16,632 and \$50,343, respectively)	<u>\$ 13,145,523</u>	<u>\$ 7,572,833</u>
Share Transactions:		
Issued	375,453	155,229
Reinvested	11,297	1,003
Redeemed	<u>(19,184)</u>	<u>(4,209)</u>
Net Increase in Shares	367,566	152,023
Shares Outstanding Beginning of Period	<u>586,628</u>	<u>434,605</u>
Shares Outstanding End of Period	<u>954,194</u>	<u>586,628</u>

## Financial Highlights

Selected data for a share outstanding throughout the period:

	(Unaudited)		
	9/1/2006 to 2/28/2007	9/1/2005 to 8/31/2006	9/3/2004* to 8/31/2005
Net Asset Value -			
Beginning of Period	\$ 12.91	\$ 11.04	\$ 10.00
Net Investment Income *****	0.04	0.11	0.10
Net Gains on Securities (Realized and Unrealized)	<u>1.03</u>	<u>1.84</u>	<u>0.95</u>
Total from Investment Operations	1.07	1.95	1.05
Distributions (From Net Investment Income)	(0.08)	(0.08)	(0.01)
Distributions (From Realized Capital Gains)	<u>(0.12)</u>	<u>-</u>	<u>-</u>
Total Distributions	(0.20)	(0.08)	(0.01)
Net Asset Value -			
End of Period	<u>\$ 13.78</u>	<u>\$ 12.91</u>	<u>\$ 11.04</u>
Total Return ****	8.28% ***	17.70%	10.46% ***
Ratios/Supplemental Data			
Net Assets - End of Period (Thousands)	13,146	7,573	4,800
Ratio of Expenses to Average Net Assets	1.50% **	1.50%	1.50% **
Ratio of Net Investment Income to Average Net Assets	0.61% **	0.93%	0.97% **
Portfolio Turnover Rate	6.32%	26.46%	14.94% **

\* Commencement of Operations.

\*\* Annualized.

\*\*\* Not Annualized.

\*\*\*\* Total return in the above table represents the rate that the investor would have earned or an investment in the Fund assuming reinvestment of dividends and distributions.

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

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



# NOTES TO FINANCIAL STATEMENTS MUNDOVAL FUND

February 28, 2006

(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.

## 2.) SIGNIFICANT ACCOUNTING POLICIES

**SECURITY VALUATION:** Equity securities 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 market value of such securities. Securities that are traded on any stock exchange or on the NASDAQ over-the-counter market are valued by the pricing service at the last quoted sale price. Lacking a last sale price, an equity security is valued by the pricing service at its last bid price. When market quotations are not readily available, when the Adviser determines that the market quotation of the price provided by the pricing service does not accurately reflect the current market value, or when restricted or illiquid 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 of the Trust.

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 market 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. If the Adviser decides that a price provided by the pricing service does not accurately reflect the fair market value of the securities, 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, in conformity with guidelines adopted by and subject to review of the Board of Trustees. Short term investments in fixed income securities with maturities of less than 60 days when acquired, or which subsequently are within 60 days of maturity, are valued by using the amortized cost method of valuation, which the Board of Trustees has determined will represent fair value.

In September 2006, FASB issued Statement on Financial Accounting Standards (SFAS) No. 157 "Fair Value Measurements." This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosure about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The changes to current generally accepted accounting principles from the application of this Statement relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. As of February 28, 2007, the Fund does not believe that the adoption of SFAS No. 157 will impact the amounts reported in the financial statements; however, additional disclosures may be required about the inputs used to develop the measurements and the effect of certain of the measurements reported on the statement of changes in net assets for a fiscal period.

**FEDERAL INCOME TAXES:** The Fund's policy is to continue to qualify each year as a "regulated investment company" under Subchapter M of the Internal Revenue Code and to distribute all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

## **Notes to the Financial Statements (Unaudited) - continued**

In June 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 - Accounting for Uncertainty in Income Taxes, that requires the tax effects of certain tax positions to be recognized. These tax positions must meet a "more likely than not" standard that based on their technical merits, they have a more than 50 percent likelihood of being sustained upon examination. FASB Interpretation No. 48 is effective for fiscal periods beginning after December 15, 2006. At adoption, the financial statements must be adjusted to reflect only those tax positions that are more likely than not of being sustained. Management of the Fund is currently evaluating the impact that FASB Interpretation No. 48 will have on the Fund's financial statements.

**DISTRIBUTIONS TO SHAREHOLDERS:** Distributions to shareholders, which are determined in accordance with income tax regulations, are recorded on the ex-dividend date.

**USE OF ESTIMATES:** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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:** Security transactions are recorded on the trade date. Dividend income is recorded on the ex-dividend date, and interest income is recognized on an accrual basis. Discounts and premiums on securities purchased are amortized over the lives 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.) INVESTMENT ADVISORY AGREEMENT**

The Fund has entered into an investment advisory agreement (the "Management Agreement") with A.Q. Johnson & Co., Inc. (the "Adviser"). Under the terms of the Management Agreement the Adviser manages the investment portfolio of the Fund, subject to policies adopted by the Trust's Board of Trustees. Under the Management Agreement, the Adviser, at its own expense and without reimbursement from the Trust, furnishes office space and all necessary office facilities, equipment and executive personnel necessary for managing the assets of the Fund. The Adviser also pays the salaries and fees of all of its officers and employees that serve as officers and trustees of the Trust. The Adviser pays all operating expenses of the Fund with the exception of taxes, brokerage fees and commissions, borrowing costs (such as (a) interest and (b) dividend expenses on securities sold short), and extraordinary expenses. For its services, the Adviser receives an annual investment management fee 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 February 28, 2007 the Adviser earned management fees totaling \$75,349, of which \$15,394 was payable to the Adviser as of February 28, 2007.

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.

### **4.) 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 February 28, 2007. Under the Management Agreement, the Adviser pays these fees.

### **5.) INVESTMENTS**

For the six-month period ended February 28, 2007, purchases and sales of investment securities other than U.S. Government obligations and short-term investments aggregated \$4,485,445 and \$576,311 respectively. There were no purchases or sales of U.S. Government obligations.

For federal income tax purposes, the cost of investments owned at February 28, 2007 was \$11,536,037. At February 28, 2007, the composition of unrealized appreciation (the excess of

## Notes to the Financial Statements (Unaudited) - continued

value over tax cost) and depreciation (the excess of tax cost over value) was as follows:

<u>Appreciation</u>	<u>(Depreciation)</u>	<u>Net Appreciation (Depreciation)</u>
\$1,801,950	(\$169,016)	\$1,632,934

There were no differences between book and tax basis investments.

### 6.) CONTROL OWNERSHIP

The beneficial ownership, either directly or indirectly, of more than 25% of the voting shares of a fund creates a presumption of control of the Fund, under Section 2(a)(9) of the Investment Company Act of 1940. As of February 28, 2007, Arthur Q. Johnson held, in aggregate, 42% of the Fund, and Oppenheimer & Company held for the benefit of others, in aggregate, more than 32% of the Fund.

Arthur Q. Johnson is the control person of the Adviser and also serves as a trustee/officer of the Fund.

### 7.) CAPITAL SHARES

At February 28, 2007 an unlimited number of shares of beneficial interest were authorized. 954,194 shares were issued and outstanding and paid in capital was \$11,278,925.

### 8.) DISTRIBUTIONS TO SHAREHOLDERS

There was a dividend of \$0.0825 per share from net investment income and a long term capital gain of \$0.1181 per share paid on December 27, 2006.

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

Distributions paid from:

	<u>9/1/06 to 2/28/07</u>	<u>9/1/05 to 8/31/06</u>
Ordinary Income	\$ 64,674	\$ 41,609
Short-Term Capital Gain	-0-	-0-
Long-Term Capital Gain	<u>92,581</u>	<u>-0-</u>
	<u>\$ 157,255</u>	<u>\$ 41,609</u>

**Board of Trustees**

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

**Investment Adviser**

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

**Counsel**

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

**Custodian**

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

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

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

**Fund Administrator**

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

**Independent Auditors**

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

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