



**ANNUAL REPORT**

*June 30, 2008*

**AMERISTOCK MUTUAL FUND, INC.**



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\*The Manager's Commentary included in this shareholder report may contain forward-looking statements about factors that may affect the performance of the Fund in the future and about anticipated events relating to the Fund specifically. These statements are based on Fund management's predictions, expectations and current plans relating to future events. Management believes these forward-looking statements to be reasonable, although they are inherently uncertain and difficult to predict. Actual events may cause Fund management to change its strategies and plans from those currently anticipated.

## MANAGER'S COMMENTARY

	6 Months	1 Year	3 Years	5 Years	10 Years	Since Inception
Ameristock Mutual Fund	-13.68%	-18.03%	0.54%	3.19%	4.19%	10.08%
S&P 500	-11.91%	-13.12%	4.40%	7.58%	2.88%	8.46%
Dow Industrials	-13.38%	-13.27%	5.83%	7.20%	4.50%	9.46%
S&P 500/Citigroup Value Index	-16.04%	-20.25%	3.03%	8.24%	3.61%	8.07%

*Average annual total returns and annual returns are for the period ended June 30, 2008 and reflect reinvestment of all dividends and capital gains distributions. Fund inception date is 8/31/95. The performance data quoted represents past performance. Past performance is not indicative of future results and current performance may be lower or higher than the performance quoted. Investment return and principal value of an investment will fluctuate and the Fund's shares, when redeemed, may be worth more or less than their original cost. The total returns shown do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. To obtain performance as of the most recent month-end, contact Ameristock at 1-800-394-5064 or visit [www.ameristock.com](http://www.ameristock.com). For the year ended June 30, 2008, the expense ratio of the Fund was 0.83%.*

As you can see from the above table, the Ameristock Mutual Fund (the "Fund") unfortunately underperformed the S&P 500 and the Dow for the fiscal year ended June 30, 2008 and six month year-to-date period. We did outperform the S&P 500/Citigroup Value Index during this period though. Our underperformance against the broad market indexes was primarily due to our overweighting in financial stocks and the deep bear market they have been in since August of last year. This bear market is evidenced by the fact that the S&P Financials Select Sector Index was down -42.36% for the 12 months ending June 30, 2008.

The bear market in financial stocks is a reaction to the "easy money" phenomenon we discussed over the last several manager commentaries. Last August saw the beginning of a long drawn out de-leveraging of the capital markets brought about after years of easy money. We wrote in the Manager's Commentary in last year's Annual Report that the de-leveraging would hurt us because our largest holdings were in the financial sector but that we hoped the worst was behind us and that the problems then developing in the sub-prime areas would not spread to our large money center banks. Well, they did.

In fact, many banks are raising massive amounts of new money to shore up their balance sheets against declining loan values. What had been a no-brainer industry is turning quickly into a no-equity industry. From 2005 to 2006 no bank failed. Last year I wrote that, "The United States has over 8,000 banks or S&Ls. Unless banking is the best business to get into, you would expect a higher failure rate." We are now seeing higher rates of distress from such well known names as: Citigroup, Merrill Lynch, Washington Mutual, Wachovia, Lehman, Bear Stearns, Keycorp, Fifth Third, UBS, Barclays, Royal Bank of Scotland Group, and over 33 other firms all having to raise in the aggregate \$408 billion additional equity capital so far. Out of this august group, Ameristock had shares in four. Not bad considering our propensity for financial firms.

This de-leveraging could go on for a while and may get worse if the next administration is more interventionist and protectionist. I am reminded of John Kenneth Galbraith's quote in "The Great Crash: 1929" about what the different participants felt like going through their own de-leveraging scenario:

The singular feature of the great crash of 1929 was that the worst continued to worsen. What looked one day like the end proved on the next day to have been only the beginning. Nothing could have been more ingeniously designed to maximize the suffering, and also to ensure that as few as possible escaped the common misfortune. The fortunate speculator who had funds to answer the first margin call presently got another and equally urgent one, and if he met that there would still be another. In the end all the money he had was extracted from him and lost. The man with the smart money, who was safely out of the market when the first crash came, naturally went back in to pick up bargains. The bargains then suffered a ruiness fall. Even the man who waited out all of October and all of November, who saw the volume of trading return to normal and saw Wall Street become as placid as a produce market, and who then bought common stocks would see their value drop to a third or a fourth of the purchase price in the next twenty-four months. The Coolidge bull market was a remarkable phenomenon. The ruthlessness of its liquidation was, in its own way, equally remarkable.

I do not for one minute believe that we are in a great depression scenario but rather think it interesting and eerily familiar that the private equity and sovereign capital funds that have put money in the banks, capital raising efforts, so far are losing on their investments.

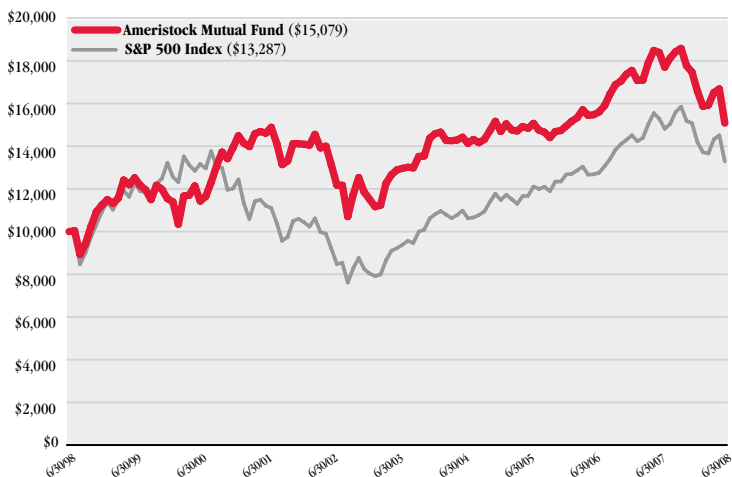
Actually, if this slowdown and market correction is true to form and like most other market corrections, it should have bottomed out in the April/May 2008 time period. Any price below the April/May lows may be a great buying opportunity. Ameristock will attempt to take advantage of any market downturns by concentrating our buying on technology and financial firms with balance sheets protected from the credit crisis. Technology now represents about 21% of the Fund's holdings, the second largest sector. Firms in the technology field have been tested in the dot-com crash, have good cash flows, compete successfully internationally and have solid balance sheets. We hope we can buy some more at attractive levels.

Thank you for investing in the Ameristock Mutual Fund and please tell your friends about us. Our number is (800) 394-5064 or locally (303) 623-2577.

Nicholas D. Gerber  
(July 28, 2008)

*The S&P 500 Index is a broad-based measurement of changes in stock market conditions based on the average performance of 500 widely held common stocks. The Dow Jones Industrial Average is a stock market indicator consisting of the average of 30 of the largest and most widely held public companies in the United States. The Index performance above reflect the reinvestment of dividends but does not reflect any management fees or transaction costs. The S&P 500/Citigroup Value Index is a market value weighted index of stocks in the S&P 500 which score highest based on an average of book-to-price ratio, sales-to-price ratio and dividend yield, representing 50% of the total market value of the S&P 500. The S&P Financials Select Sector Index seeks to provide an effective representation of the financial sector of the S&P 500(R) Index. The Index includes companies from the following industries: commercial banks, capital markets, diversified financial services, insurance and real estate.*

**COMPARISON OF CHANGE IN VALUE OF \$10,000 INVESTMENT  
IN THE AMERISTOCK MUTUAL FUND (AMSTX)  
AND THE S & P 500 INDEX**



The S&P 500 Index is a broad-based measurement of changes in stock market conditions based on the average performance of 500 widely held common stocks. The Index performance set forth

above reflects the reinvestment of dividends. It is an unmanaged index and therefore does not reflect any management fees or transaction costs.

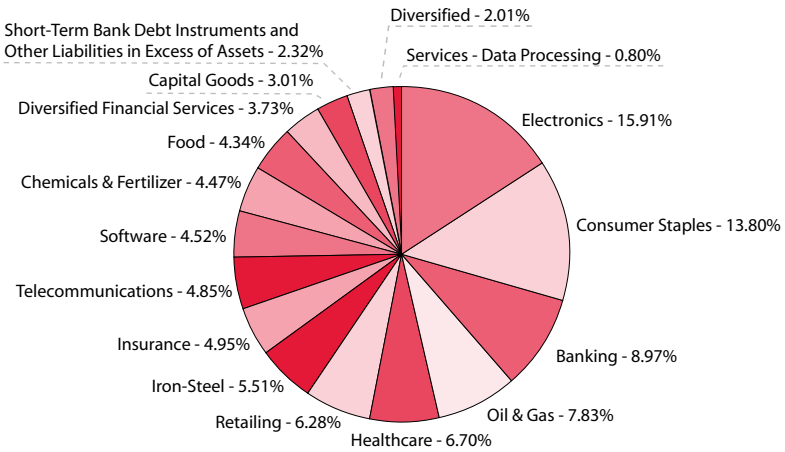
**AVERAGE ANNUAL TOTAL RETURNS  
AS OF JUNE 30, 2008**

**CALENDAR YEAR RETURNS**

<u>Ameristock Mutual Fund, Inc.</u>	<u>Return</u>	<u>Calendar Year Returns</u>	<u>AMSTX</u>	<u>S&amp;P 500 Index</u>
1 Year	-18.03%	2007	0.54%	5.49%
5 Years	3.19%	2006	17.94%	15.79%
10 Years	4.19%	2005	-2.88%	4.91%
Since Inception - 8/31/1995	10.08%	2004	5.52%	10.88%
		2003	21.27%	28.67%
		2002	-16.00%	-22.09%
		2001	1.25%	-11.88%
		2000	20.70%	-9.10%
		1999	2.73%	21.04%
		1998	31.98%	28.58%

*Average annual total returns and annual returns reflect reinvestment of all dividends and capital gains distributions. Fund inception date is 8/31/95. The performance data quoted represents past performance. Past performance is not indicative of future results and current performance may be lower or higher than the performance quoted. Investment return and principal value of an investment will fluctuate and the Fund's shares, when redeemed, may be worth more or less than their original cost. The total returns shown do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares. To obtain performance as of the most recent month-end, contact Ameristock at 1-800-394-5064 or visit [www.ameristock.com](http://www.ameristock.com). For the year ended June 30, 2008, the expense ratio of the Fund was 0.83%.*

**INDUSTRY PROFILE AS A PERCENT OF NET ASSETS AS OF JUNE 30, 2008**



**TOP 10 EQUITY HOLDINGS\*  
AS OF JUNE 30, 2008**

<b>Company</b>	<b>% of Net Assets</b>
Nucor Corp.	5.51%
The Progressive Corp.	4.95%
Intel Corp.	4.74%
Sara Lee Corp.	4.72%
Dell Inc.	4.47%
Microsoft Corp.	4.42%
Kellogg Co.	4.34%
Texas Instruments Inc.	4.34%
Lowe's Cos. Inc.	4.31%
American Express Co.	3.73%

\*Top ten holdings are subject to change, and there are no guarantees that the Fund will remain invested in any particular company or holding.

## DISCLOSURE OF FUND EXPENSES (Unaudited)

As a shareholder of a mutual fund, you may incur two potential types of costs, transaction costs and ongoing costs. In the case of the Fund, you generally will not incur transaction costs such as sales charges (loads) and redemption fees, although financial intermediaries such as broker-dealers and banks through which Fund shares may be purchased may charge transaction-related fees. You do incur ongoing costs as a Fund shareholder, including management fees and other Fund expenses. The following examples are intended to help you understand your ongoing costs (in dollars) of investing in a Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The examples are based on an investment of \$1,000 invested on January 1, 2008 and held until June 30, 2008.

**Actual Return.** The first line of the table below provides information about actual account values and actual expenses. You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading "Expense Paid During Period" to estimate the expenses you paid on your account during this period.

**Hypothetical 5% Return.** 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 you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other mutual funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

The expenses shown in the table are meant to highlight ongoing Fund costs only and do not reflect any transaction fees, such as sales charges (loads) and redemption fees that may be charged. Therefore, the second line of the table is useful in comparing ongoing costs only, and may not help you determine the relative total costs of owning different funds.

	Beginning Account Value at 01/01/08	Ending Account Value at 06/30/08	Expense Paid During Period* 01/01/08 to 06/30/08
Actual Fund Return	\$1,000.00	\$863.20	\$3.89
Hypothetical Fund Return	\$1,000.00	\$1,020.69	\$4.22

\* Expenses are equal to the Ameristock Mutual Fund's annualized expense ratio of 0.84% multiplied by the average account value over the period, multiplied by the number of days in the fiscal half-year divided by 366 days in the current year (to reflect the half year period).

**INTENTIONALLY LEFT BLANK**

## DIRECTORS AND OFFICERS (Unaudited)

The business and affairs of the Ameristock Mutual Fund, Inc. (the "Fund") are managed under the direction of the Fund's Board of Directors. Information pertaining to the directors and officers of the Fund is set forth below.

<b>Name, Address, and Age<sup>1</sup></b>	<b>Positions(s) Held with the Fund</b>	<b>Term of Office and Length of Time Served<sup>2</sup></b>
<b>INDEPENDENT DIRECTORS</b>		
Alev Efendioglu, PhD. (65)	Director	Since 1995
Stephen J. Marsh (55)	Director	Since 1995
Steven A. Wood (59)	Director	Since 2001
<b>INTERESTED DIRECTORS</b>		
Nicholas D. Gerber (45) <sup>4</sup>	Chairman of the Board of Directors, President, Treasurer and Chief Legal Officer	Since 1995, except Chief Legal Officer since 2003
Andrew F. Ngim (48) <sup>4</sup>	Director	Since 1995
<b>OFFICERS</b>		
Howard Mah (44) 1329 Harbor Bay Parkway Suite 145 Alameda, CA 94502	Secretary; Chief Compliance Officer	Secretary since 1995; Chief Compliance Officer since 2004
Kim Storms (36) ALPS Fund Services, Inc. 1290 Broadway Suite 1100 Denver, CO 80203	Assistant Secretary	Since 2005

<sup>1</sup> Each director may be contacted by writing to the director, c/o Ameristock Funds, 1320 Harbor Bay Parkway, Suite 145, Alameda, CA 94502.

<sup>2</sup> Each director holds office for an indefinite term until the earlier of (i) the election of his successor or (ii) the date the director dies, resigns or is removed.

<sup>3</sup> Directorships of companies required to report to the Securities and Exchange Commission under the Securities Exchange Act of 1934 (i.e., public companies) or other investment companies registered under the 1940 Act.

Directors who are not deemed to be “interested persons” of the Fund as defined in the Investment Company Act of 1940 (the “1940 Act”) are referred to as “Independent Directors.” Directors who are deemed to be “interested persons” of the Fund as defined in the 1940 Act are referred to as “Interested Directors.” The Fund’s Statement of Additional Information includes additional information about the directors and is available, without charge, upon request by calling 1-800-394-5064.

<b>Principal Occupation(s) During Past 5 Years</b>	<b>Number of Portfolios in Fund Complex Overseen by Director</b>	<b>Other Directorships Held by Director<sup>3</sup></b>
Professor of Management, School of Business and Management, University of San Francisco (1977-Present).	6	0
President, Bridgeway Cellars, Inc. (winery) (2003-Present). Senior Vice President, FMV Opinions, Inc. (appraisal firm) (1998-2003).	6	0
President and Chief Economist, Insight Economics LLC (economic consulting firm) (2003-Present). Chief Economist, Financial Oxygen (capital markets technology company) (2001-2003).	6	0
President and director, Ameristock Corporation (the “Adviser”), (1995-Present); President and director, Wainwright Holdings, Inc (“Wainwright”) (financial services holding company) (2004-Present); Chief Investment Officer and director, Lyons Gate Reinsurance Company Ltd. (“Lyons Gate”) (2004-Present); President, Chief Executive Officer, Chairman and management director, United States Commodity Funds, LLC (“Commodity Funds”) (commodities pool operator) (2005-Present).	6	0
Director of the Adviser (1995-Present); Managing Director of the Adviser (1999-Present); Director, Wainwright (2004-Present); Treasurer and management director, Commodity Funds (2005-Present).	6	0
Director of the Adviser, (1995-Present); Compliance Officer of the Adviser (2000-Present); Director, Wainwright (2004-Present); Director, Lyons Gate (2004-Present); Management director and secretary, Commodity Funds (2005-Present); Chief Compliance Officer and Chief Financial Officer, Commodity Funds (2006-Present); tax and financial consultant in private practice (1995 – Present).	N/A	N/A
Director of Fund Administration (2004-Present); Fund Controller (1999-2004), ALPS Fund Services, Inc. <sup>5</sup>	N/A	N/A

<sup>4</sup> Nicholas D. Gerber and Andrew Ngim are “interested persons” by reason of their positions with Ameristock Corporation, the investment adviser to the Fund.

<sup>5</sup> ALPS Fund Services, Inc. is the Administrator, Bookkeeping and Pricing Agent and Transfer Agent for the Fund, and an affiliated person of ALPS Distributors, Inc., the Distributor of the Fund.

## SCHEDULE OF INVESTMENTS

June 30, 2008

Industry	Company	Symbol	Shares	Market Value	
<b>Common Stocks</b>	97.68%				
<b>Banking</b>	8.97%	Bank of America Corp.	BAC	363,754	\$8,682,808
		CitiGroup Inc.	C	431,816	7,237,236
		PNC Financial Services Group, Inc.	PNC	144,686	8,261,571
		Wachovia Corp.	WB	194,300	3,017,479
<b>Capital Goods</b>	3.01%	Caterpillar Inc.	CAT	42,400	3,129,968
		General Electric Co.	GE	224,905	6,002,714
<b>Chemicals &amp; Fertilizer</b>	4.47%	Dow Chemical Co.	DOW	188,880	6,593,801
		Du Pont de Nemours & Co.	DD	162,600	6,973,914
<b>Consumer Staples</b>	13.80%	Coca-Cola Co.	KO	140,380	7,296,953
		Colgate-Palmolive Co.	CL	99,500	6,875,450
		Pepsico Inc.	PEP	108,960	6,928,766
		Procter & Gamble Co.	PG	106,200	6,458,022
		Sara Lee Corp.	SLE	1,167,800	14,305,551
<b>Diversified</b>	2.01%	3M Co.	MMM	87,520	6,090,517
<b>Diversified Financial Services</b>	3.73%	American Express Co.	AXP	300,000	11,301,000
<b>Electronics</b>	15.91%	Dell Inc. <sup>(a)</sup>	DELL	619,700	13,559,036
		Intel Corp.	INTC	669,160	14,373,556
		International Business Machines Corp.	IBM	60,600	7,182,918
		Texas Instruments Inc.	TXN	467,000	13,150,720
<b>Food</b>	4.34%	Kellogg Co.	K	274,000	13,157,480
<b>Healthcare</b>	6.70%	Johnson & Johnson	JNJ	128,680	8,279,270
		Merck & Co. Inc.	MRK	162,940	6,141,209
		Pfizer Inc.	PFE	337,680	5,899,270
<b>Insurance</b>	4.95%	The Progressive Corp.	PGR	802,000	15,013,440
<b>Iron-Steel</b>	5.51%	Nucor Corp.	NUE	224,000	16,726,080
<b>Oil &amp; Gas</b>	7.83%	BP PLC (ADR) <sup>(b)</sup>	BP	111,308	7,743,698
		ChevronTexaco Corp.	CVX	81,228	8,052,131
		Exxon Mobil Corp.	XOM	90,200	7,949,326

The accompanying notes are an integral part of the financial statements

## SCHEDULE OF INVESTMENTS (Continued)

June 30, 2008

Industry	Company	Symbol	Shares	Market Value
Retailing	6.28% Home Depot Inc.	HD	255,595	\$5,986,035
	Lowe's Cos. Inc.	LOW	630,000	13,072,500
<b>Services -</b>				
<b>Data Processing</b>	0.80% Automatic Data Processing Inc.	ADP	57,600	2,413,440
Software	4.52% Broadridge Financial Solutions Inc.	BR	14,400	303,120
	Microsoft Corp.	MSFT	487,560	13,412,776
<b>Telecommunications</b>				
	4.85% AT&T Inc.	T	210,343	7,086,456
	Fairpoint Communications Inc.	FRP	4,051	29,208
	Verizon Communications Inc.	VZ	214,809	7,604,238
<b>Total</b>				
<b>Common Stocks</b>	97.68% (Cost \$318,815,451)			\$296,291,657
<b>Short-Term Bank</b>				
<b>Debt Instruments</b>	2.38%			
	BB&T Co. - Grand Cayman		4,000,000	4,000,000
	1.60%, due 7/1/08			
	Wachovia Bank - London		3,210,332	3,210,332
	1.60%, due 7/1/08			
<b>Total Short-Term Bank</b>				
<b>Debt Instruments</b>	2.38% (Cost \$7,210,332)			\$7,210,332
<b>Total Investments</b>	100.06% (Cost \$326,025,783)			\$303,501,989
Liabilities in Excess				
of Other Assets	(0.06%)			(168,938)
<b>Net Assets</b>	<b>100.00%</b>	Equivalent to \$36.28 per share on 8,360,551 shares of Capital Stock Outstanding		<b>\$303,333,051</b>

<sup>(a)</sup>Non-Income Producing Security

<sup>(b)</sup>ADR - American Depositary Receipt

The accompanying notes are an integral part of the financial statements

## STATEMENT OF ASSETS AND LIABILITIES JUNE 30, 2008

### Assets:

Investment Securities at Market Value (cost - see below)	\$303,501,989
Accounts Receivable	
Fund Shares Sold	117,065
Dividends	522,022
Interest	320
<b>Total Assets</b>	<b>304,141,396</b>

### Liabilities:

Accounts Payable	
Fund Shares Redeemed	579,840
Accrued Management Fee	220,532
Accrued Directors' Fees	7,973
<b>Total Liabilities</b>	<b>808,345</b>
<b>Net Assets</b>	<b>\$303,333,051</b>

### Net Assets Consist of:

Capital Paid In	\$313,439,178
Accumulated Undistributed Net Investment Income	10,062,371
Accumulated Net Realized Gain on Investments	2,355,296
Net Unrealized Depreciation on Investments Based on Identified Cost	(22,523,794)
<b>Net Assets</b>	<b>\$303,333,051</b>

### Net Asset Value Per Share

Net Assets	\$303,333,051
Shares of Capital Stock Outstanding	8,360,551
(100 Million shares, \$.005 par value authorized)	
Net Asset Value	\$36.28
Redemption Price per Share	\$36.28
<b>Cost of Investments</b>	<b>\$326,025,783</b>

The accompanying notes are an integral part of the financial statements

**STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED JUNE 30, 2008**

**Investment Income:**

Dividends	\$13,261,443
Interest	252,704
<b>Total Investment Income</b>	<b>13,514,147</b>

**Expenses:**

Management Fee (Note 2)	3,367,387
Directors' Fees (Note 3)	84,000
<b>Total Expenses</b>	<b>3,451,387</b>
<b>Net Investment Income</b>	<b>10,062,760</b>

**Realized and Unrealized Gain/Loss on Investments**

Net Realized Gain on Investments	9,449,209
Net Change in Unrealized Appreciation / Depreciation on Investments	(96,397,418)
Net Realized and Unrealized Loss on Investments	(86,948,209)
<b>Net Decrease in Net Assets Resulting from Operations</b>	<b>\$(76,885,449)</b>

The accompanying notes are an integral part of the financial statements

## STATEMENTS OF CHANGES IN NET ASSETS

	For the Year Ended June 30,	
	2008	2007
<b>From Operations:</b>		
Net Investment Income	\$10,062,760	\$10,746,629
Net Realized Gain on Investments	9,449,209	19,708,461
Net Change in Unrealized Appreciation / Depreciation on Investments	(96,397,418)	70,251,984
	(76,885,449)	100,707,074
<b>Distributions to Shareholders:</b>		
Net Investment Income	(4,900,254)	(21,963,550)
Capital Gains	(14,651,087)	—
	(19,551,341)	(21,963,550)
<b>Share Transactions:</b>		
Shares Sold	36,989,872	96,163,982
Shares Issued as Reinvestment of Dividends and Distributions	18,960,320	21,193,788
Cost of Shares Redeemed	(179,408,476)	(284,477,781)
	(123,458,284)	(167,120,011)
<b>Net Decrease in Net Assets</b>	(219,895,074)	(88,376,487)
<b>Net Assets:</b>		
Beginning of Period	523,228,125	611,604,612
End of Period*	\$303,333,051	\$523,228,125
*Includes Accumulated Undistributed Net Investment Income of	\$10,062,371	\$4,899,865

The accompanying notes are an integral part of the financial statements

## FINANCIAL HIGHLIGHTS

Selected Data for a Share of Common Stock Outstanding Throughout the Periods Indicated:

	For the Year Ended June 30,				
	2008	2007	2006	2005	2004
Net Asset Value at Beginning of Year	\$46.36	\$40.45	\$39.66	\$39.54	\$35.93
Net Investment Income <sup>(a)</sup>	1.03	0.81	0.87	0.83	0.75
Net Gains/Losses on Securities - Realized and Unrealized	(9.10)	6.74	0.79	0.33	3.49
Total From Investment Operations	(8.07)	7.55	1.66	1.16	4.24
<b>Dividend Distribution</b>					
Net Investment Income	(0.50)	(1.64)	(0.87)	(1.04)	(0.63)
Capital Gains	(1.51)	0.00	0.00	0.00	0.00
Total Distributions	(2.01)	(1.64)	(0.87)	(1.04)	(0.63)
Net Asset Value at End of Year	\$36.28	\$46.36	\$40.45	\$39.66	\$39.54
<b>Total Return</b>	(18.03%)	18.88%	4.27%	2.89%	11.88%
<b>Ratios/Supplemental Data</b>					
Net Assets End of Year (millions)	\$303.33	\$523.23	\$611.60	\$1,208.54	\$1,870.06
Ratio of Expenses to Average Net Assets	0.83%	0.80%	0.79%	0.77%	0.77%
Ratio of Net Investment Income to Average Net Assets	2.42%	1.85%	2.21%	2.10%	1.96%
Portfolio Turnover Rate <sup>(b)</sup>	13.91%	15.85%	9.61%	0.00%	5.96%

<sup>(a)</sup> Based on Average Shares Outstanding.

<sup>(b)</sup> A portfolio turnover rate is, in general, the percentage computed by taking the lesser of purchases or sales of portfolio securities (excluding securities with a maturity date of one year or less at the time of acquisition) for a period and dividing it by the monthly average of the market value of such securities during the period. Purchases and sales of investment securities (excluding short-term securities) for the year ended June 30, 2008 were \$56,503,985 and \$182,409,899, respectively.

The accompanying notes are an integral part of the financial statements

## NOTES TO FINANCIAL STATEMENTS

### 1. SIGNIFICANT ACCOUNTING POLICIES

The Ameristock Mutual Fund, Inc. (the "Fund") is registered under the Investment Company Act of 1940, as amended, as a diversified, open-end management investment company, organized as a corporation under the laws of the State of Maryland on June 15, 1995. The Fund's investment objective is to seek total return through capital appreciation and current income by investing primarily in equity securities, and under normal market conditions the Fund will invest at least 80% of the value of its net assets in common stocks. The authorized capital stock of the Fund consists of 100 million shares of common stock, par value \$0.005 per share.

#### SECURITY VALUATION

Investments in securities are carried at market value. All equity securities that are traded on a national securities exchange are valued at the last sale price at the time of the close of the New York Stock Exchange (NYSE). If on a particular day an exchange-listed security does not trade, then the mean between the closing bid and asked prices will be used. In the case of securities listed on more than one national securities exchange the last quoted sale, up to the time of valuation, on the exchange on which the security is principally traded should be used. If there were no sales on that exchange, the last quoted sale on the other exchange will be used.

For securities that are traded on NASDAQ, the NASDAQ Official Closing Price or NASDAQ Closing Cross price is used, whichever is available. All non-NASDAQ equity securities that are not traded on a listed exchange are valued at the last sale price at the close of the NYSE. If a nonexchange listed security does not trade on a particular day, or if a last sales price, Official Closing Price or Closing Cross price is not available, then the mean between the closing bid and asked price will be used.

Debt securities are valued by using market quotations or a matrix method provided by the Fund's pricing service. If prices are not available from the pricing service, then quotations will be obtained from broker/dealers and the securities will be valued at the mean between the bid and the offer.

Securities having a remaining maturity of 60 days or less are valued at amortized cost, which approximates market value.

The cost of securities sold is determined on the identified cost basis. When market quotations are not readily available or when events occur that make established valuation methods unreliable, securities of the Fund may be valued at fair value determined in good faith by or under the direction of the Board of Directors.

Security transactions are recorded on the dates transactions are entered into, which is the trade date.

#### INCOME

Dividend income and distributions to shareholders are recorded on the ex-dividend date. Interest income is recorded as earned. Discounts and premiums on securities purchased are amortized over the life of the respective securities.

## **INCOME TAXES**

As a qualified regulated investment company under Subchapter M of the Internal Revenue Code, the Fund is subject to income taxes to the extent that it distributes all of its taxable income for the fiscal year.

It is the policy of the Fund 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 policy of the Fund to distribute annually, after the end of the fiscal year, any remaining net investment income and net realized capital gains.

The Fund intends to elect to defer to its fiscal year ending June 30, 2009, approximately \$1,093,672 of losses recognized during the period from November 1, 2007 to June 30, 2008.

## **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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **OTHER**

Accounting principles generally accepted in the United States of America require that permanent financial reporting tax differences relating to shareholders distributions be reclassified to paid-in-capital or gains/losses.

## **REPURCHASE AGREEMENTS**

The Fund, through its custodian, receives delivery of underlying securities, whose market value, including interest, is required to be at least 102% of the resale price. The Fund's adviser is responsible for determining that the value of these underlying securities remains at least equal to 102% of the resale price. If the seller defaults, the Fund would suffer a loss to the extent that the proceeds from the sale of the underlying securities were less than the resale price.

## **NEW ACCOUNTING PRONOUNCEMENTS**

Effective July 1, 2007, the Fund adopted FASB Interpretation No. 48 ("FIN 48") "Accounting for Uncertainty in Income Taxes," which requires that the financial statement effects of a tax position taken or expected to be taken in a tax return be recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Management has concluded that the Fund has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of FIN 48. The Fund files income tax returns in the U.S. federal jurisdiction and Colorado. The statute of limitations on the Fund's federal and state tax filings remains open for the fiscal years ended June 30, 2008, June 30, 2007, June 30, 2006, and June 30, 2005.

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" (SFAS No. 157). SFAS No. 157 defines fair value (which, for purposes of SFAS No. 157, includes

both valuation based on market quotations and fair value determinations when market quotations are not readily available), establishes a framework for measuring fair value in accordance with generally accepted accounting principles and expands disclosure about fair value measurements. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007. Management is currently evaluating the impact the adoption of SFAS No. 157 will have on the Fund's financial statement disclosures.

In February 2007, the FASB issued FASB Statement No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities including an amendment of FASB Statement No. 115" ("SFAS No. 159"), which permits entities to choose to measure many financial instruments and certain other items at fair value. This Statement is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. Management is currently evaluating the potential impact the adoption of SFAS No. 159 will have on the Fund's financial statements.

In March 2008, the FASB issued Statement of Financial Accounting Standards No. 161 ("SFAS No. 161"), "Disclosures about Derivative Instruments and Hedging Activities". SFAS No. 161 is intended to improve financial reporting about derivative instruments and hedging activities. It is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. Management is currently evaluating the impact the adoption of SFAS No. 161 will have on the Fund's financial statement disclosures.

## **2. INVESTMENT ADVISORY AGREEMENTS**

The Fund has entered into an investment advisory agreement with Ameristock Corporation (the "Adviser"). The Adviser receives from the Fund as compensation for its services to the Fund an annual fee of 1% of the Fund's average daily net assets for the first \$100 million in net assets and 0.75% of average daily net assets in excess of \$100 million. The Adviser pays all operating expenses of the Fund except for taxes, interest, brokerage commissions, noninterested directors fees and extraordinary expenses. The Adviser earned management fees of \$3,367,387 from the Fund for the year ended June 30, 2008.

## **3. RELATED PARTY TRANSACTIONS**

Certain owners of the Adviser are also owners and or directors of the Fund. These individuals may receive benefits from any management fees paid to the Adviser.

Shareholders holding more than 5% of the Fund's outstanding shares as of June 30, 2008 constituted 83.36% of the Ameristock Mutual Fund, Inc. The beneficial ownership, either directly or indirectly, of more than 25% of the voting securities 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, 2008 Charles Schwab & Co. for the benefit of its customers owned of record in aggregate more than 60.36% of the Ameristock Mutual Fund, Inc.

The Directors of the Fund who are employees or Directors of the Investment Adviser receive no compensation from the Fund. Each of the Independent Directors is paid \$28,000 per year, payable quarterly and is reimbursed for the expenses of attending meetings.

#### 4. CAPITAL STOCK AND DISTRIBUTION

At June 30, 2008, 100 million shares of capital stock (\$.005 par value) were authorized and paid in capital amounted to \$313,439,178 for the Ameristock Mutual Fund, Inc.

	For the Year Ended June 30,	
	2008	2007
Shares Sold	886,518	2,228,250
Shares Issued in Reinvestment of Dividends and Distributions	448,977	481,998
Total	1,335,495	2,710,248
Shares Redeemed	(4,261,837)	(6,544,397)
Net Decrease in Shares	(2,926,342)	(3,834,149)
Shares Outstanding—Beginning of Period	11,286,893	15,121,042
Shares Outstanding—End of Period	8,360,551	11,286,893

#### 5. UNREALIZED APPRECIATION AND DEPRECIATION ON INVESTMENTS

As of June 30, 2008

Gross Appreciation (excess of value over tax cost)	\$29,608,177
Gross Depreciation (excess of tax cost over value)	(52,131,971)
Net Unrealized Depreciation	\$(22,523,794)
Cost of Investments for Income Tax Purposes	\$326,025,783

#### 6. CLASSIFICATION OF DISTRIBUTIONS

Net investment income (loss) and net realized gain (loss) may differ for financial statement and tax purposes. The character of distributions made during the year from net investment income or net realized gains may differ from its ultimate characterization for federal income tax purposes. Net assets were unaffected by the reclassifications.

The tax character of the distributions paid during the year ended June 30, 2008 and the year ended June 30, 2007 was as follows:

	For the Year Ended June 30,	
	2008	2007
Distributions paid from:		
Ordinary Income	\$5,414,532	\$21,963,550
Long-Term Capital Gain	14,136,809	—
Total	\$19,551,341	\$21,963,550

As of June 30, 2008, the components of distributable earnings on a tax basis were as follows:

Accumulated Undistributed Net Investment Income	\$12,033,645
Accumulated Net Realized Gain on Investments	1,477,694
Net Unrealized Depreciation	(22,523,794)
Other Cumulative Effect of Timing Differences	(1,093,672)
Total	\$(10,106,127)

## **7. CASH MANAGEMENT TRANSACTIONS**

The Fund subscribes to the Brown Brothers Harriman & Co. ("BBH") Cash Management Service ("CMS"). The BBH CMS is an investment product that automatically sweeps the Fund's cash balances into overnight offshore time deposits with either BBH Grand Cayman branch or branches of pre-approved world class commercial banks. This fully automated program allows the Fund to earn interest on cash balances while remaining diversified. Excess cash invested with deposit institutions domiciled outside of the United States, as with any offshore deposit, may be subject to sovereign actions in the jurisdiction of the deposit institution including, but not limited to, freeze, seizure, or diminution. The Fund bears the risk associated with the repayment of principal and payment of interest on such instruments by the institution with which the deposit is ultimately placed. Balances in the CMS are accounted for on a cost basis, which approximates market value.

## **8. SECURITIES LENDING**

The Fund receives compensation in the form of fees, or it retains a portion of interest on the investment of any cash received as collateral. The Fund also continues to receive interest or dividends on the securities loaned. The loans are secured by collateral at least equal, at all times, to the market value of the securities loaned plus accrued interest. Gain or loss in the market value of the securities loaned that may occur during the term of the loan will be for the account of the Fund. At June 30, 2008, the Fund had no securities on loan.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and  
Shareholders of Ameristock Mutual Fund, Inc.

We have audited the accompanying statement of assets and liabilities of Ameristock Mutual Fund, Inc. (the "Fund"), including the schedule of investments, as of June 30, 2008, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of June 30, 2008, by correspondence with the custodian. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of Ameristock Mutual Fund, Inc. as of June 30, 2008, the results of its operations for the year then ended, the changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America.

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania  
August 15, 2008

## SHAREHOLDER TAX INFORMATION *(Unaudited)*

Certain tax information regarding the Fund is required to be provided to shareholders based upon the Fund's income and distributions for the taxable year ended June 30, 2008. The information and distributions reported herein may differ from information and distributions taxable to the shareholders for the calendar year ended December 31, 2007.

During the year ended June 30, 2008, 100.00% of the dividends paid by the Fund from ordinary income qualify for the corporate dividends received deduction.

Also during the year ended June 30, 2008, 100.00% of the dividends paid by the Fund from ordinary income met the requirements of the tax rules regarding qualified dividend income.

During the year ended June 30, 2008, the Fund paid the following distributions per share on December 14, 2007:

Ordinary Income Dividends	\$0.5559
<u>Capital Gain Distributions</u>	<u>1.4514</u>
<u>Total Distributions</u>	<u>\$2.0073</u>

## PORTFOLIO HOLDINGS *(Unaudited)*

The Fund files its complete schedule of portfolio holdings with the Commission for the first and third quarters of each fiscal year on Form N-Q within 60 days after the end of the period. Copies of the Fund's Forms N-Q are available without a charge, upon request, by contacting the Fund at 1-800-394-5064 and on the Commission's website at <http://www.sec.gov>. You may also review and copy Form N-Q at the Commission's Public Reference Room in Washington, D.C. For more information about the operation of the Public Reference Room, please call the Commission at 1-800-SEC-0330.

## APPROVAL OF INVESTMENT ADVISORY AGREEMENT *(Unaudited)*

At an in-person meeting on May 12, 2008, the Board of Directors of the Fund, including the directors who are not "interested persons" of the Fund as defined in the Investment Company Act of 1940 (the "Independent Directors"), unanimously re-approved the Management Agreement (the "Agreement") between the Fund and Ameristock Corporation (the "Adviser").

Prior to the Board meeting, the Directors were provided with written guidance from experienced counsel for the Fund and Adviser summarizing the factors and types of information that the Directors should consider in reviewing and deciding whether to re-approve the Agreement. The Directors also were provided prior to the meeting with various reports and other information pertinent to their review of the Agreement, including certain information specifically requested by the Directors and provided by

the Adviser. In addition, at their meetings throughout the year, the Directors review information on an ongoing basis regarding the Fund and the services furnished by the Adviser under the Agreement.

Prior to voting at the meeting, the Directors reviewed with counsel for the Fund and Adviser and separate counsel for the Independent Directors the reports and other information received from the Adviser and the materials from counsel discussing the legal standards applicable to the Directors' consideration of the Agreement. The Directors compared the Fund's investment performance and the management and other expenses incurred by the Fund with the performance and expenses of certain other similar investment companies (e.g., funds with similar asset levels that employ a value investment strategy and invest primarily in large capitalization companies) and its investment performance with the performance of various securities indices. The Independent Directors also discussed the re-approval of the Agreement in a private session with their separate counsel, at which no representatives of the Adviser were present. Based on their evaluation of all material factors, including those described below, the Directors determined to continue the Agreement until June 30, 2009. In voting to re-approve the Agreement, the Directors did not identify any one factor, piece of information or written document as all-important or controlling, and each Director attributed different weights to different factors.

With respect to the nature, extent and quality of the services provided by the Adviser, the Directors considered, among other things, that the Fund was managed in a conservative fashion with low turnover and a long term view. It was noted that the Adviser had been generally consistent in its investment style. The Directors considered that the Fund's investment performance over the ten years ended March 31, 2008 had exceeded that of most funds in the Morningstar large cap value category and that of the S&P 500 Citigroup Value Index (including its predecessor), as well as that of the full S&P 500 Index. While the Fund's performance for the three- and five- year periods was toward the bottom of the comparison group and trailed the comparison indexes, most of that underperformance occurred during the period from 2003 to 2005. The Fund's performance during the last two calendar years had improved considerably, with performance being above the median for the Fund's Morningstar category for the one year period ended March 31, 2008.

The Directors considered further the non-advisory services provided by the Adviser, including its management of the Fund's compliance program and its oversight of the Fund's other service providers. It was noted that neither the Fund nor the Adviser had had any material compliance issues over the life of the Fund, that the Adviser has devoted substantial resources so that the Fund and the Adviser would be in compliance with applicable regulatory requirements, and that the Adviser was being assisted by an experienced third party service provider in the administration of the Fund. The

Directors also noted the liquidation of certain other businesses managed by the Adviser and its affiliates, concluding that this should enable the Adviser to allocate more investment and administrative resources to the Fund. Based on this and other information, the Directors concluded that the nature, extent and quality of the services provided by the Adviser, including the terms of the Management Agreement, were adequate.

As to the management fee charged by the Adviser, the Directors observed that the Fund employed a unitary fee arrangement, whereby the Adviser paid substantially all of the ordinary operating expenses of the Fund. As a result, in evaluating the management fee, it was appropriate to compare the total expense ratio of the Fund with those of other similar funds. In this regard, it was noted that the Fund's total expense ratio was below the median for fund classes in the Morningstar large cap value category with assets between \$250 million and \$500 million, and that many of the funds in the comparison group were part of a much larger fund organization. The Directors concluded that the Fund's management fee was reasonable in relation to the services provided.

As to the profits realized by the Adviser from its relationship with the Fund, the Directors considered, among other financial information, the modified profit and loss analyses for the past two years that were provided by the Adviser. The Directors noted that the presentation of the profitability information to exclude marketing expenses and expenses unrelated to the management and operations of the Fund had improved from the preceding year, and that it appeared that the actual profitability of the Adviser had declined from the preceding year due largely to the reduction in the Fund's assets. In addition, the Directors noted that the Adviser's profits could reasonably have been lower if additional amounts had been paid in salary and other compensation. The Directors acknowledged the inherent limitations of profitability analyses, including the incomplete or dissimilar data available and the uncertainty of the various allocations and other assumptions necessary. Based on the information provided, the Directors concluded that the profitability of the Adviser from its relationship with the Fund did not appear excessive. In addition, it did not appear that the Adviser received any significant benefit from the Fund other than its management fee.

With respect to whether economies of scale would be realized by the Fund as it grows, it was noted that the management fee paid by the Fund to the Adviser is reduced from 1.00% to 0.75% on the portion of Fund assets exceeding \$100 million and that the Fund's assets had been declining. In addition, the Directors considered the Adviser's agreement to continue until at least June 30, 2009 its commitment to waive an additional 0.05% on Fund assets over \$2 billion (recognizing that the current assets of the Fund were substantially below \$2 billion). The Directors concluded that the "breakpoint" in and waiver of the management fee represented an appropriate sharing of any economies of scale in the management of the Fund at current and potential asset levels, and that additional economies of scale have not been realized in light of the decline in Fund assets.

**Investment Adviser**

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Alameda, California 94502

**Administrator, Bookkeeping and Pricing Agent and Transfer Agent**

ALPS Fund Services, Inc.  
1290 Broadway, Suite 1100  
Denver, Colorado 80203

**Distributor**

ALPS Distributors, Inc.  
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Denver, Colorado 80203

**Custodian**

Brown Brothers Harriman & Co.  
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Boston, Massachusetts 02109

**Independent Registered Public Accounting Firm**

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**Directors**

Alev M. Efendioglu  
Nicholas D. Gerber  
Stephen J. Marsh  
Andrew F. Ngim  
Steven A. Wood

A description of the policies and procedures that the Adviser uses to determine how to vote proxies relating to portfolio securities of the Fund is available (i) without a charge by calling 1(800)394-5064; and (ii) on the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov). Information regarding how the Fund voted such proxies during the 12 month period ended June 30, 2007 is also available (i) without a charge through the Fund's website at [www.ameristock.com](http://www.ameristock.com); and (ii) on the Securities and Exchange Commission website at [www.sec.gov](http://www.sec.gov).

**ALPS Distributors, Inc.**, distributor

Must be accompanied or preceded by a current prospectus which contains more information on fees, risks, and expenses. Please read it carefully before investing or sending money. For more information, please call 1(800)394-5064 or visit [www.ameristock.com](http://www.ameristock.com).



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