

Chou Associates Management Inc.
95 Wellington Street West
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Toronto, Ontario M5J 2N7
Tel (416) 214 0675
E-mail: admin@choufunds.com

February 10, 2004

Dear Unitholders of Chou Funds:

Re: Personal Information Privacy Laws

The Personal Information Protection and Electronic Documents Act (Canada) (the "Act") sets out ground rules for the management of personal information in the private sector. It balances an individual's right to the privacy of personal information with the need of organizations to collect, use and disclose personal information for legitimate business purposes. On January 1, 2004, the Act will extend to the collection, use and disclosure of personal information in the course of any commercial activity within a province.

We are writing to advise you how and why we collect, use and disclose the personal information you provide us when you invest in units of Chou Funds.

By applying to invest in Chou Funds through the completion and signing of the Chou Funds Subscription Form, you are indicating your consent to our collection, use and limited disclosure of your personal information in the manner described below. If you do not agree with the collection, use and limited disclosure of your personal information in this manner, please call us immediately.

In order to invest in Chou Funds, you are required to voluntarily provide certain personal information on the Chou Funds Subscription Form such as: your name, address, social insurance number (or tax identification number if the purchaser is a corporation), telephone numbers at both home and work, driver's licence number (or alternatively a passport number or health card number); your employer and occupation; your investment objectives, investment knowledge and investment time frame; and detailed financial information about you including annual income and net worth. We request this information: to determine the suitability of units of Chou Funds for each prospective purchaser; to determine the eligibility of each prospective purchaser to purchase units of Chou Funds; and to comply with "know your client" and other applicable securities, income tax, money laundering, national security, law enforcement and other laws, rules and regulations.

We use your personal information to contact and correspond with you, to respond to your communications, to provide portfolio management and other services to you, and for other reasons required or permitted by law.

We may disclose your personal information in the following limited circumstances:

* Disclosure to Agents and Service Providers. We provide your personal information to our agents and service providers such as Chou Funds' auditor, tax accountant and record-keeper, but only where it is necessary to do so in connection with your investment in Chou Funds.

* Disclosure Required by Law, etc. We may disclose your personal information: (a) to a government institution, such as a securities regulator, that has asserted its lawful authority to obtain the information; (b) where we have reasonable grounds to believe the information could be useful in the investigation of unlawful activity; (c) to comply with a subpoena or warrant or an order made by a court, person or body with jurisdiction to compel the production of information; (d) to comply with court rules regarding the production of records and information; (e) to the legal counsel either of Chou Funds or of Chou Associates Management Inc. (Manager of Chou Funds); or (f) as otherwise required by law.

We employ various security safeguards to protect your personal information such as locking filing cabinets, restricting access to our office, and using computer passwords and firewalls. We also ensure personal information that has no relevance to a transaction is either removed or masked when providing copies of information to others.

You may at any time request access to your personal information and information about our privacy practices by contacting us. Subject to certain limited exceptions prescribed by law, you will be given reasonable access to your personal information within a reasonable time, and will be entitled to challenge the accuracy and completeness of the information and to have it amended as appropriate.

Unless you advise us to the contrary, we are assuming that you are consenting to the use of your personal information in the manner set out in this letter.

Please call me if you have any questions about this letter.

Sincerely,

Francis Chou

Note: We moved to the present address on September 14, 2004.