

**CHOU ASSOCIATES FUND
CHOU ASIA FUND
CHOU EUROPE FUND
CHOU BOND FUND
CHOU RRSP FUND**

ANNUAL REPORT 2024

Illustration of an assumed investment of \$10,000 in Canadian dollars (unaudited)

CHOU ASSOCIATES FUND

Period ended	Total value of shares
Dec.31, 1986	\$10,000
Dec.31, 1987	10,502
Dec.31, 1988	12,001
Dec.31, 1989	14,244
Dec.31, 1990	12,722
Dec.31, 1991	15,681
Dec.31, 1992	18,817
Dec.31, 1993	21,863
Dec.31, 1994	21,300
Dec.31, 1995	27,904
Dec.31, 1996	34,235
Dec.31, 1997	48,035
Dec.31, 1998	59,187
Dec.31, 1999	53,489
Dec.31, 2000	57,967
Dec.31, 2001	70,397
Dec.31, 2002	91,504
Dec.31, 2003	94,773
Dec.31, 2004	103,319
Dec.31, 2005	117,462
Dec.31, 2006	139,511
Dec.31, 2007	125,258
Dec.31, 2008	88,553
Dec.31, 2009	114,854
Dec.31, 2010	136,916
Dec.31, 2011	113,776
Dec.31, 2012	144,446
Dec.31, 2013	204,142
Dec.31, 2014	228,754
Dec.31, 2015	212,854
Dec.31, 2016	206,905
Dec.31, 2017	214,775
Dec.31, 2018	197,699
Dec.31, 2019	200,244
Dec.31, 2020	181,288
Dec.31, 2021	276,407
Dec.31, 2022	302,056
Dec.31, 2023	304,090
Dec.31, 2024	\$370,398

NOTE: Rates of return are historical total returns, include changes in unit prices, and assume the reinvestment of all distributions. These annual compounded returns do not take into account any sales charges, redemption fees, other optional expenses or income taxes that you have to pay and that could reduce these returns. The returns are not guaranteed. The Fund's past performance does not necessarily indicate future performance.

The table is presented only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the mutual funds or returns on the mutual funds. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing.

PERFORMANCE OF THE FUNDS
(unaudited)

(Series A units)	December 31						
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Chou Associates Fund							
Total Return	21.81%	0.67%	9.28%	52.47%	-9.47%	1.29%	-7.95%
Management Expense Ratio (MER)	2.10%	2.03%	2.02%	1.69%	1.85%	1.87%	2.03%
Portfolio turnover rate	10.31%	9.21%	15.76%	4.99%	0.03%	14.98%	31.61%
Net Assets, end of the year (in millions)	\$ 174.9	\$ 153.6	\$ 162.2	\$ 164.6	\$ 153.2	\$ 209.0	\$ 285.8
Chou Asia Fund							
Total Return	17.52%	16.98%	-6.58%	-1.70%	66.11%	1.02%	-12.72%
Management Expense Ratio (MER)	2.38%	2.26%	2.26%	1.76%	1.86%	1.90%	2.08%
Portfolio turnover rate	0.00%	0.14%	3.26%	7.00%	0.37%	15.55%	0.00%
Net Assets, end of the year (in millions)	\$ 16.5	\$ 16.0	\$ 15.3	\$ 18.6	\$ 21.6	\$ 16.2	\$ 22.5
Chou Europe Fund							
Total Return	-4.64%	39.57%	8.00%	-4.46%	27.24%	-3.05%	-9.91%
Management Expense Ratio (MER)	0.58%	0.55%	1.24%	1.73%	2.04%	1.96%	2.21%
Portfolio turnover rate	0.00%	0.00%	13.76%	12.10%	32.94%	13.94%	9.01%
Net Assets, end of the year (in millions)	\$ 3.1	\$ 3.3	\$ 2.4	\$ 3.5	\$ 5.5	\$ 6.8	\$ 7.4
Chou Bond Fund							
Total Return	18.19%	-1.86%	7.96%	41.25%	24.88%	-25.10%	14.85%
Management Expense Ratio (MER)	1.78%	1.76%	1.78%	1.37%	1.42%	1.60%	1.85%
Portfolio turnover rate	0.00%	0.00%	78.25%	44.47%	54.84%	11.84%	13.97%
Net Assets, end of the year (in millions)	\$ 15.2	\$ 10.9	\$ 11.2	\$ 10.5	\$ 8.6	\$ 9.8	\$ 17.9
Chou RRSP Fund							
Total Return	-1.37%	-1.58%	-8.73%	55.98%	13.52%	-17.67%	-7.15%
Management Expense Ratio (MER)	2.22%	2.08%	2.04%	1.70%	1.88%	1.89%	2.01%
Portfolio turnover rate	14.59%	7.25%	33.81%	9.86%	0.05%	15.25%	14.08%
Net Assets, end of the year (in millions)	\$ 29.8	\$ 34.4	\$ 37.3	\$ 45.2	\$ 37.5	\$ 42.8	\$ 66.2

Please note that 'Net Assets' include both Series A and Series F of the Fund.

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CHOU ASSOCIATES FUND

(unaudited)

March 14, 2025

Dear Unitholders of Chou Associates Fund,

The net asset value per unit (“NAVPU”) of a Series A unit of Chou Associates Fund at December 31, 2024 was \$190.12 compared to \$156.07 at December 31, 2023, an increase of 21.8%; during the same period, the S&P 500 Total Return Index increased 36.2% in Canadian dollars. In U.S. dollars, a Series A unit of Chou Associates Fund increased by 12.3% while the S&P 500 Total Return Index increased 25.0%.

The table shows our one-year, three-year, five-year, 10-year, 15-year and 20-year annual compound rates of return.

December 31, 2024 (Series A)	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Chou Associates Fund (\$CAN)	21.8%	10.2%	13.1%	4.9%	8.1%	6.6%
S&P 500 (\$CAN)	36.2%	13.7%	16.9%	15.5%	16.2%	11.3%
Chou Associates Fund (\$US)	12.3%	5.6%	10.8%	2.7%	5.9%	5.6%
S&P 500 (\$US)	25.0%	8.9%	14.5%	13.1%	13.9%	10.3%

Rates of return are historical total returns that include changes in unit prices, and assume the reinvestment of all distributions. These annual compounded returns do not take into account any sales charges, redemption fees, other optional expenses or income taxes that you have to pay and that could reduce these returns. The returns are not guaranteed. The Fund’s past performance does not necessarily indicate future performance. The table is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the mutual funds or returns on the mutual funds. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing.

Factors Influencing the 2024 Results

The major advancers in the year were the equity holdings of Synchrony Financial, Wells Fargo & Company, Citigroup Inc., Berkshire Hathaway Inc., and EXCO Resources Inc.

The decliner in the year was the warrant holding of Hertz Global Holdings Inc.

The Canadian currency depreciated against the US dollar, which also positively affected the Fund.

The Fund reduced its warrant holding in Hertz Global Holdings Inc. and its equity holding in Berkshire Hathaway Inc.

The Fund also sold off its holdings in Bausch Health Companies Inc., Liberty Global Limited, and Navient Corporation.

The Fund initiated investments in Pathward Financial Inc, SiriusXM Holdings Inc. The Fund also invested in the warrants of Occidental Petroleum Corporation due August 03, 2027.

The Fund did not enter into any foreign currency contracts during the year. The Fund also had no covered call options in its portfolio as at December 31, 2024.

Stock strategies for minimizing capital gains taxes —and maximizing returns

When the Liberal government announced in June 2024 that it would raise the capital gains inclusion rate (the amount of capital gains subject to tax) to 66%, it brought back memories of 45 years ago. In 1979, a period when capital gains taxes were high in both the United States and Canada, I was learning about value investing.

Table 1: Capital gains tax rates for select years from 1975 to 2024

Year(s)	Capital gains tax rate		
	United States		Canada
	Individual (%)	Corporate (%)	Individual (%) (top marginal rate)
2024	20	21	36*
2018–2023	20	21	27
2016–2017	20	35	27
2013–2015	20	35	25
1993–1997	28	35	35
1990–1992	28**	34	35
1988–1989	28**	34	31
1987	28**	34	26
1979	35	30	31
1978	33.8	30	31
1975–1977	35	30	31

* Proposed.

** Assumes 10-year holding period; 30% of capital gain recognized.

Sources: Wolters Kluwer CCH, World Tax Database, OECD Tax Database, Tax Foundation.

What impressed me most was that your after-tax return would be substantially different if you bought a stock and sold it within one year versus if you held it for 40 years and then sold it. The longer you kept the stock, the greater the benefit.

Impact on after-tax returns when selling annually versus holding for 40 years

Let's look at two examples.

Investor A buys \$1 million in stock, holds it for 40 years, and sells it at the end of year 40.

Table 2: Investor A (buy and hold) — after-tax return at the end of the 40-year period

		Capital gains tax rate							
		35%		30%		25%		20%	
		AFTER-TAX RETURN							
		Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)
PRE-TAX RETURN	8%	6.9	14.5	7.1	15.5	7.3	16.5	7.4	17.6
	10%	8.9	29.8	9.0	32.0	9.2	34.2	9.4	36.4
	12%	10.8	60.8	11.0	65.4	11.2	70.0	11.4	74.6
	15%	13.8	174.5	14.0	187.8	14.2	201.1	14.4	214.5
	20%	18.7	955.7	18.9	1,029.1	19.1	1,102.6	19.3	1,176.0

Investor B buys \$1 million in stock, sells it at the end of every year, and rebuys the stock at the beginning of the next year.

Table 3: Investor B (buy and sell annually) — after-tax return at the end of the 40-year period

		Capital gains tax rate							
		35%		30%		25%		20%	
		AFTER-TAX RETURN							
		Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)
PRE-TAX RETURN	8%	5.2	7.6	5.6	8.8	6.0	10.3	6.4	12.0
	10%	6.5	12.4	7.0	15.0	7.5	18.0	8.0	21.7
	12%	7.8	20.2	8.4	25.2	9.0	31.4	9.6	39.1
	15%	9.8	41.3	10.5	54.3	11.3	71.1	12.0	93.1
	20%	13.0	132.8	14.0	188.9	15.0	267.9	16.0	378.7

Let's say your pre-tax return is 20% each year for 40 years. If you sell it at the end of one year, your annualized after-tax return is 13.0%, assuming the capital gains tax rate is 35% for those 40 years (Table 3). However, if you had held the stock and sold at the end of the 40 years, your after-tax return would be 18.7% (Table 2). If you don't believe me, do the math yourself.

What are the implications? At a pre-tax rate of return of 20% and a tax rate of 35%, \$1 million would grow to \$132.8 million, a handsome return, but it is totally dwarfed by the \$955.7 million (almost \$1 billion!) you would have earned if you had bought and held the stock and sold it only in the 40th year.

A 20% annual rate of return over 40 years is rare, but the magical effect is still quite substantial even if you take a 12% annual rate of return and a 35% tax rate: \$1 million would net you \$20.2 million after tax if you realize gains yearly, versus \$60.8 million after tax if you sell it in the 40th year.

Impact on after-tax returns when selling after three, five, and 10 years

Most value investors hold their stocks for between three and five years. We prepared the tables for three, five and 10 years so readers can see what impact it has on after-tax returns for different rates of return. There is a marginal benefit holding it for three years, but the benefits become meaningful when you hold it for 10 years or longer.

Table 4: Realizing gains every 3 years

		Capital gains tax rate							
		35%		30%		25%		20%	
		AFTER-TAX RETURN							
		Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)
PRE-TAX RETURN	8%	5.3	8.0	5.7	9.3	6.1	10.7	6.5	12.4
	10%	6.7	13.4	7.2	16.1	7.7	19.2	8.1	22.9
	12%	8.1	22.5	8.7	27.9	9.2	34.3	9.8	42.2
	15%	10.2	48.8	10.9	63.1	11.6	81.2	12.3	104.0
	20%	13.8	175.2	14.7	242.6	15.6	333.3	16.5	454.5

Table 5: Realizing gains every 5 years

		Capital gains tax rate							
		35%		30%		25%		20%	
		AFTER-TAX RETURN							
PRE-TAX RETURN		Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)
	8%	5.5	8.4	5.8	9.7	6.2	11.2	6.6	12.8
	10%	6.9	14.5	7.4	17.2	7.8	20.4	8.3	24.1
	12%	8.4	25.0	8.9	30.6	9.5	37.2	10.0	45.1
	15%	10.6	56.9	11.3	72.4	12.0	91.4	12.6	114.7
	20%	14.5	224.5	15.3	302.1	16.2	402.3	17.0	530.4

Table 6: Realizing gains every 10 years

		Capital gains tax rate							
		35%		30%		25%		20%	
		AFTER-TAX RETURN							
PRE-TAX RETURN		Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)
	8%	5.8	9.4	6.1	10.8	6.5	12.2	6.8	13.8
	10%	7.4	17.2	7.8	20.0	8.2	23.2	8.6	26.8
	12%	9.0	31.5	9.5	37.5	9.9	44.3	10.4	51.9
	15%	11.5	78.8	12.1	96.2	12.6	116.3	13.1	139.5
	20%	15.9	366.2	16.6	461.2	17.2	573.6	17.8	705.3

From the tables, you can see that for the same pre-tax rate of return, there are substantial differences in the after-tax return if you hold for the long term versus selling in a year. This raises several interesting points:

1. It is a perfect tax shelter. Instead of the tax rate being 35%, the effective tax rate is 6.4%. This is because your annual rate of return after tax is 18.7% on a 20% pre-tax rate of return if you sell it only in the 40th year. Therefore, your effective tax rate is 6.4% and will decrease as you hold it longer. This feels like an almost tax-free rate of return.
2. It boosts your effective rate of return. To generate an 18.7% after-tax return, if you sell the stock yearly, you would need a pre-tax compound rate of return of 28.8% — an almost impossible rate of return to sustain over 40 years.
3. It's important to choose investments wisely. If you know how beneficial it is to hold a stock for 40 years, what type of companies would you invest in? I was aware of this formula 45 years ago. I favoured companies with a relatively young founder or CEO who was a great capital allocator and could compound the intrinsic value at 12% or better over long periods (Can you guess the two companies from 1979 onwards?). Even if the stock is overvalued during some of those 40 years, it is better not to sell when the capital gains tax rate is high. This is one of the keys to building significant wealth.

One perplexing problem occurs if you buy and hold a stock that has compounded at 20% over 40 years but whose intrinsic value is now growing at 8% annually for the foreseeable future. Would you sell the stock? Consider the ramifications. When you sell it, you start 35% lower because you must pay taxes. Also, keep in mind that to generate an after-tax return of 8%, you would need to generate an annual return of 12.3%. The tables above highlight just some of the differences in returns between the two approaches. I could have presented many more interesting scenarios, but I did not want to inundate my readers with too many tables!

DOES VALUE-INVESTING WORK OVER THE LONG TERM?

Over the years, I have been asked frequently whether value investing truly works over the long term. Prior to two years ago, that question was usually asked with great skepticism. In my mind, unequivocally, the answer is yes. It works because you are buying an asset for a far lower price than what it is worth.

As it happens, we have been managing five mutual funds over long periods, all in different market sectors. I thought perhaps if one of our five funds ranked in the top 5, I would be excited. So, we asked Fundata to supply the data and discovered that four out of the five Chou Funds performed extremely well over the long term. Not only were our funds in the top 5, they were number 1 in several categories and performance periods! The results are presented below.

This strong performance is despite the fact that the results include the 2015 to 2020 period—a hellish time for value investing. In fact, the impact was so great, it even affected the 15-year and 20-year results.

Fundata fund rankings by category (as of December 31, 2024)

Fund category and rank	Performance period (number of years)							
	3	5	10	15	20	25	30	35
Global equity category:								
Chou Associates Fund (Series A), rank	216	137	723	321	105	2	1	1
Number of funds in this category	1,738	1,467	758	426	177	51	22	15
Canadian-focused small- and mid-cap equity:								
Chou RRSP Fund (Series A), rank	48	21	31	19	2	1	1	1
Chou RRSP Fund (Series F), rank	47	14	30	16	1	N/A	N/A	N/A
Number of funds in this category	48	48	31	20	< 10	< 10	< 10	< 10

Fund category and rank	Performance period (number of years)			
	3	5	10	15
Asia-Pacific equity (excluding Japan):				
Chou Asia Fund (Series A), rank	1	1	1	1
Number of funds in this category	43	42	40	16
European equity:				
Chou Europe Fund (Series A), rank	1	2	69	29
Chou Europe Fund (Series F), rank	2	1	68	28
Number of funds in this category	101	98	69	47
Global fixed income, balanced:				
Chou Bond Fund (Series A), rank	2	2	2	2
Chou Bond Fund (Series F), rank	1	1	1	1
Number of funds in this category	872	766	388	143

Source: All data courtesy of Fundata.

The market is so competitive that it is tough enough to get ranked in the top five for just one fund, but it is surreal to find that, looking at the various time periods, four of the five Chou Funds were frequently ranked number 1 against their peers.

What about the next 35 years?

We believe value investing will continue to flourish over the next 35 years, and the Chou Funds will continue to do well, irrespective of the market sectors. After 35 years, we may not always be ranked number 1 against our peers in their respective categories, but we should be ranked relatively high. The long-term results of the Chou Funds have shown that we produce excellent results whether we are buying American, Canadian, Asian, or European equities or fixed-income instruments.

The point is this: how can anyone argue against the logic of buying something considerably cheaper than what a company is worth?

Portfolio Commentary

The Common Theme In New Purchases

We purchased shares in several new companies. They are half-decent companies that generate tons of free cash flow, sell at a low multiple of earnings, and have management that we can trust to make operating and capital allocation decisions wisely. But if there is a common theme in the new purchases, it is that they have been big buyers of their own stock over the last few years. We also believe that if their shares fall further, they will repurchase them in significant quantities in the market. What this entails is that their intrinsic value will increase on a per-share basis. That is music to my ears.

However, there is one caveat regarding companies buying back their shares. They should not be in a declining industry where new technology or processes will make their products less valuable. And as a corollary, the company should not buy back shares if it is a piece of CRAP (Cannot Realize A Profit). In this case, the remaining loyal shareholders are getting a larger piece of a crappy company.

EXCO Resources Inc. (“EXCO”)

In early July 2019, the company emerged from bankruptcy and the 1.75 lien term loans were converted to 28.38 equity shares for every US\$1,000 in par value, after netting out certain adjustments. The equivalent price was US\$9.51 per share of EXCO.

Since it is a private company, I am not at liberty to divulge the latest financial statements, but what I can tell you is that my calculation of its PV-10 value was more than US\$1.9 billion (roughly US\$42 per share) based on the New York Mercantile Exchange (NYMEX) forward pricing as of June 30, 2024, and the net proved reserves were 2.9 trillion cubic feet equivalent. Its number of outstanding shares as of June 30, 2024 was 46,441,708. We estimate its EBITDA for the year ending 2025 will be between US\$200 million and US\$250 million. As a comparison, in 2018, the PV-10 value was US\$750 million.

As of December 31, 2024, the share of EXCO was valued at \$21.08 by Kroll, an independent third-party valuator.

Caution to the Investors

Investors should be advised that we run a highly focused portfolio, frequently just three to five securities may comprise close to 50% of the assets of the Fund. In addition, the Fund has securities that are non-U.S. and could be subjected to geopolitical risks, which may trump or at least negatively influence the financial performance of the company. Also, we may enter into some derivative contracts, such as credit default swaps when we feel that the market conditions are right to use those instruments. Because of any or all of these factors, the net asset value of the Fund can be from time to time more volatile than at other times. However, we are not bothered by this volatility because our focus has always been, and continues to be, on how inexpensive we believe the Fund’s portfolio holdings are relative to what we believe to be their intrinsic value. Also, the Fund’s cash and cash equivalent position was approximately 33.6% of net assets as at December 31, 2024.

Other Matters

FOREIGN CURRENCY CONTRACTS: None existed at December 31, 2024.

CREDIT DEFAULT SWAPS: None existed at December 31, 2024.

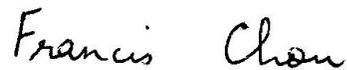
REDEMPTION FEE: We have a redemption fee of 2% if unitholders redeem their units in less than 3 months. None of this fee goes to the Fund Manager. It is put back into the Fund for the benefit of the remaining unitholders.

INDEPENDENT REVIEW COMMITTEE: The Manager has established an IRC as required by NI 81-107. The members of the IRC are Sandford Borins, Peter Gregoire and Joe Tortolano. The 2024 IRC Annual Report is available on our website www.choufunds.com.

As of March 14, 2025, the NAVPU of a Series A unit of the Fund was \$198.43 and the cash and cash equivalent position was approximately 21.7% of net assets. The Fund is up 4.4% from the beginning of the year. In U.S. dollars, it is up 4.5%.

Except for the performance numbers of the Chou Associates Fund, this letter contains estimates and opinions of the Fund Manager and is not intended to be a forecast of future events, a guarantee of future returns or investment advice. Any recommendations contained or implied herein may not be suitable for all investors.

Yours truly,



Francis Chou
Fund Manager

Management's Responsibility for Financial Reporting

To the unitholders of the Chou Funds:

The accompanying financial statements have been prepared by the management of Chou Associates Management Inc. Management is responsible for the information and representations made in these financial statements.

Management has applied appropriate processes to ensure that the statements contain relevant and reliable financial information. The financial statements have been produced in accordance with International Financial Reporting Standards ("IFRS") and include certain amounts based on estimates and judgements. The significant accounting policies that management believes are appropriate for the Chou Funds are described in Note 2 to the financial statements.

The Trustee of each of the Trusts is responsible for reviewing and approving the financial statements, and for overseeing management's performance of its financial reporting responsibilities. The Trustee reviews the financial statements, the adequacy of internal controls, the audit process and the financial data with management and the external auditors.

The Board of Directors of Chou Associates Management Inc. is responsible for reviewing and approving the financial statements, and for overseeing management's performance of its financial reporting responsibilities. It reviews the financial statements, the adequacy of internal controls, the audit process and the financial data with management and the external auditors. Once satisfied, the Board approves the financial statements.

Doane Grant Thornton LLP is the external auditor of the Chou Funds. They are appointed by the respective Boards and cannot be changed without the prior approval of the Independent Review Committee and on 60 days notice to the unitholders.



Francis Chou
Chou Associates Management Inc.
March 14, 2025

Independent auditor's report

To the Unitholders of

Chou Associates Fund
Chou Asia Fund
Chou Europe Fund
Chou Bond Fund
Chou RRSP Fund

Collectively referred to as “the Funds”

Opinion

We have audited the financial statements of the Funds, which comprise the statements of financial position as at December 31, 2024, and December 31, 2023 and the statements of comprehensive income (loss), statements of changes in net assets attributable to unitholders of redeemable units and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2024 and December 31, 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters – Supplementary Information

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The Fund Manager's letters on pages 1-7, 19-24, 32-34, 42-44, and 52-57 are presented for the purposes of additional information and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on it.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Funds' Management Reports of Fund Performance to be filed with the relevant Canadian Securities Commissions, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Funds ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Doane Grant Thornton LLP

Toronto, Canada
March 28, 2025

Chartered Professional Accountants
Licensed Public Accountants

CHOU ASSOCIATES FUND

Statements of Financial Position

Years ended December 31, 2024 and 2023

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 58,972,666	\$ 44,087,178
Investments (note 8)	113,519,103	105,445,185
Derivatives (note 8)	2,696,009	4,362,138
Receivable for redeemable units subscribed	500	-
Dividends receivable	70,567	43,818
Total assets	175,258,845	153,938,319
Liabilities		
Current liabilities:		
Accrued expenses	264,232	290,033
Payable for units redeemed	76,590	30,966
Total liabilities	340,822	320,999
Net assets attributable to unitholders of redeemable units	\$ 174,918,023	\$ 153,617,320
Net assets attributable to unitholders of redeemable units:		
Series A	\$ 120,456,770	\$ 107,940,581
Series F	54,461,253	45,676,739
	\$ 174,918,023	\$ 153,617,320
Number of redeemable units outstanding (note 4):		
Series A	633,599	691,639
Series F	286,656	294,530
Net assets attributable to unitholders of redeemable units per unit:		
Canadian dollars:		
Series A	\$ 190.12	\$ 156.07
Series F	189.99	155.08
U.S. dollars:		
Series A	132.26	117.78
Series F	132.17	117.04

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

Approved on behalf of the Board of Directors of Chou Associates Management Inc.:

Francis Chou



CHOU ASSOCIATES FUND

Statements of Comprehensive Income (Loss)

Years ended December 31, 2024 and 2023

	2024	2023
Income:		
Interest for distribution purposes and other	\$ 1,175,573	\$ 2,084
Dividends	2,017,952	777,848
Securities lending income (note 7)	2,928	8,446
Foreign currency gain (loss) on cash and cash equivalents and other net assets	1,497,322	(974,248)
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:		
Net realized gain on disposal of investments	7,920,185	7,769,240
Net realized loss on derivatives	(5,148,756)	-
Change in unrealized appreciation (depreciation) on investments	25,761,750	(1,265,665)
Change in unrealized appreciation (depreciation) on derivatives	2,682,533	(1,701,774)
	35,909,487	4,615,931
Expenses:		
Management fees (note 5(a))	2,527,089	2,470,089
Custodial fees	272,996	267,708
Audit fees (note 10)	154,822	133,751
Filing fees	126,321	29,664
Independent review committee fees	31,186	52,568
FundSERV fees	40,043	26,703
Legal fees	18,300	18,250
Transaction costs (note 6)	115,448	35,664
Foreign withholding taxes	128,230	114,383
Other	5,399	5,546
	3,419,834	3,154,326
Increase in net assets attributable to unitholders of redeemable units	\$ 32,489,653	\$ 1,461,605
Increase in net assets attributable to unitholders of redeemable units per series:		
Series A	\$ 22,368,719	\$ 920,266
Series F	10,120,934	541,339
	\$ 32,489,653	\$ 1,461,605
Average number of redeemable units outstanding for the year per the series:		
Series A	659,834	741,951
Series F	288,817	274,316
Increase in net assets attributable to unitholders of redeemable units per unit:		
Series A	\$ 33.90	\$ 1.24
Series F	35.04	1.97

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

CHOU ASSOCIATES FUND

Statements of Changes in Net Assets Attributable to Unitholders of Redeemable Units

Years ended December 31, 2024 and 2023

	2024	2023
Series A		
Net assets attributable to unitholders of redeemable units, beginning of year	\$ 107,940,581	\$ 119,424,698
Increase in net assets attributable to unitholders of redeemable units	22,368,719	920,266
Proceeds from issue of redeemable units	171,667	528,370
Payments on redemption of redeemable units	(10,024,197)	(12,932,753)
Net assets attributable to unitholders of redeemable units, end of year	\$ 120,456,770	\$ 107,940,581
Series F		
Net assets attributable to unitholders of redeemable units, beginning of year	\$ 45,676,739	\$ 42,795,828
Increase in net assets attributable to unitholders of redeemable units	10,120,934	541,339
Proceeds from issue of redeemable units	3,516,571	6,420,673
Payments on redemption of redeemable units	(4,852,991)	(4,081,101)
Net assets attributable to unitholders of redeemable units, end of year	\$ 54,461,253	\$ 45,676,739
Total net assets attributable to unitholders of redeemable units, end of year	\$ 174,918,023	\$ 153,617,320

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

CHOU ASSOCIATES FUND

Statements of Cash Flows

Years ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Increase in net assets attributable to unitholders of redeemable units	\$ 32,489,653	\$ 1,461,605
Adjustments for:		
Foreign currency (gain) loss on cash and cash equivalents and other net assets	(1,497,322)	974,248
Net realized gain on disposal of investments and derivatives	(2,771,429)	(7,769,240)
Change in unrealized (appreciation) depreciation on investments and derivatives	(28,444,283)	2,967,439
Purchase of investments	(12,371,665)	(11,061,385)
Proceeds from sales of investments	37,179,588	29,364,487
Change in non-cash operating working capital:		
(Increase) decrease in dividends receivable	(26,749)	957
(Decrease) increase in accrued expenses	(25,801)	46,736
Net cash generated from operating activities	24,531,992	15,984,847
Cash flows from financing activities:		
Proceeds from redeemable units issued	3,687,738	6,988,740
Amount paid on redemption of redeemable units	(14,831,564)	(17,003,158)
Net cash used in financing activities	(11,143,826)	(10,014,418)
Foreign currency gain (loss) on cash and cash equivalents and other net assets	1,497,322	(974,248)
Increase in cash and cash equivalents	14,885,488	4,996,181
Cash and cash equivalents, beginning of year	44,087,178	39,090,997
Cash and cash equivalents, end of year	\$ 58,972,666	\$ 44,087,178
Supplemental information:		
Interest received, net of withholding tax	1,175,573	2,084
Dividends received, net of withholding tax	1,862,973	664,422
Security lending income received	2,928	8,446

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

CHOU ASSOCIATES FUND

Schedule of Investments

December 31, 2024

	Number of securities	Cost	Fair value
Equities*			
Ally Financial Inc.	155,686	\$ 5,289,052	\$ 8,058,708
Berkshire Hathaway Inc., Class 'A'	61	6,433,433	59,706,096
Citigroup Inc.	57,695	1,457,677	5,837,702
EXCO Resources Inc.	781,244	19,296,711	23,672,823
Pathward Financial Inc.	25,017	1,677,840	2,645,987
Sirius XM Holdings Inc.	12,589	432,354	412,590
Synchrony Financial	120,000	5,457,935	11,212,110
Wells Fargo & Company	19,542	1,042,763	1,973,087
Total equities		41,087,765	113,519,103
Derivatives			
Occidental Pete Corporation, warrants, August 3, 2027	68,000	2,711,934	2,692,919
Hertz Global Holdings Inc., warrants, June 30, 2051	1,000	11,773	3,090
Total derivatives		2,723,707	2,696,009
Total investments		43,811,472	116,215,112
Transaction costs		(139,251)	-
Portfolio total		\$ 43,672,221	\$ 116,215,112

* Common shares unless indicated otherwise

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

CHOU ASSOCIATES FUND

Discussion of Financial Risk Management

Years ended December 31, 2024 and 2023

Investment objective and strategies:

Chou Associates Fund's objective is to provide long-term growth of capital by investing primarily in equity securities of U.S. and foreign businesses considered by the Manager to be undervalued. The Fund may also invest in the equity securities of Canadian businesses. Investments may include common and preferred shares, convertible debentures, government and corporate bonds and short-term debt. The Fund may also use derivatives such as, but not limited to, futures, options, swaps and forward contracts to gain exposure to securities and asset classes consistent with the objectives of the Fund, and to hedge portfolio exposure against losses from foreign currency and domestic currency exposure and changes in securities prices.

The investment process followed in selecting equity investments for the Fund is a value-oriented approach to investing. The level of investments in the Fund's securities is generally commensurate with the current price of the Fund's securities in relation to its intrinsic value. That approach is designed to provide an extra margin of safety, which in turn serves to reduce overall portfolio risk.

Financial risk management:

The Fund's investment activities expose it to various types of risk associated with the financial instruments and markets in which it invests. The Fund's risk management goals are to ensure that the outcome of activities involving risk is consistent with the Fund's objectives and risk tolerance.

(a) Other price risk:

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Approximately 52.91% (2023 – 60.12%) of the Fund's net assets held at December 31, 2024 were publicly traded equities and derivative investments. If equity and derivative prices on the exchange had increased or decreased by 5.00% as at December 31, 2024, the net assets of the Fund would have increased or decreased by approximately \$4,626,216 or 2.65% (2023 - \$4,617,962 or 3.01%) of the net assets, all other factors remaining constant.

In practice, the actual trading results may differ and the difference could be material.

(b) Foreign currency risk:

Currencies to which the Fund had exposure as at December 31, 2024 and 2023 expressed in CAD are as follows:

	Investments and derivatives	Cash and cash equivalents	Other assets and liabilities	Total	Percentage of net asset value
2024					
United States dollar (USD)	\$ 116,215,112	\$ 58,248,629	\$ 70,567	\$ 174,534,308	99.8%
2023					
United States dollar (USD)	\$ 109,807,323	\$ 43,478,044	\$ 43,818	\$ 153,329,185	99.8%

CHOU ASSOCIATES FUND

Discussion of Financial Risk Management

Years ended December 31, 2024 and 2023

Financial risk management (continued):

(b) Foreign currency risk (continued):

The amounts in the above tables are based on the market value of the Fund's financial instruments. This includes cash and cash equivalents, investments, derivatives, dividends receivable, receivable for redeemable units subscribed and payable for units redeemed that are denominated in foreign currencies.

As at December 31, 2024, if the Canadian dollar had strengthened or weakened by 1.00% in relation to all currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$1,745,343 (2023 - \$1,533,292).

In practice, the actual trading results may differ and the difference could be material.

CHOU ASIA FUND (unaudited)

March 14, 2025

Dear Unitholders of Chou Asia Fund

After the distribution of \$0.08, the net asset value per unit (“NAVPU”) of a Series A unit of Chou Asia Fund at December 31, 2024 was \$28.46 compared to \$24.28 at December 31, 2023, an increase of 17.5%; during the same period, the MSCI AC (Morgan Stanley Capital International All Country) Asia Pacific Total Return Index in Canadian dollars increased by 20.0%. In U.S. dollars, a Series A unit of Chou Asia Fund was up 8.3% while the MSCI AC Asia Pacific Total Return Index increased by 10.1%.

The table shows our one-year, three-year, five-year, 10-year and 15-year annual compound rates of return.

December 31, 2024 (Series A)	1 Year	3 Years	5 Years	10 Years	15 Years
Chou Asia Fund (\$CAN)	17.5%	8.7%	16.0%	9.2%	8.3%
MSCI AC Asia Pacific TR (\$CAN)	20.0%	5.3%	6.3%	8.1%	8.0%
Chou Asia Fund (\$US)	8.3%	4.2%	13.6%	6.9%	6.1%
MSCI AC Asia Pacific TR (\$US)	10.1%	0.9%	4.1%	5.8%	5.8%

Rates of return are historical total returns that include changes in unit prices, and assume the reinvestment of all distributions. These annual compounded returns do not take into account any sales charges, redemption fees, other optional expenses or income taxes that you have to pay and that could reduce these returns. The returns are not guaranteed. The Fund’s past performance does not necessarily indicate future performance. The table is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the mutual funds or returns on the mutual funds. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing.

Factors Influencing the 2024 Results

The major advancers in 2024 were the equity holdings of Tencent Holdings Limited, Shriram Finance Limited, Postal Savings Bank of China Co Ltd. and Capital A BHD.

The Canadian currency depreciated against the Hong Kong dollar, which positively affected the Fund.

During the year, the Fund eliminated its equity holding in Consun Pharmaceutical Group Ltd.

The Fund did not enter into any foreign currency contracts during the year. The Fund also had no covered call options in its portfolio as at December 31, 2024.

How did Chou Asia Fund perform versus its peers over the long term?

Over the years, I have been asked frequently whether value investing truly works over the long term. Prior to two years ago, that question was usually asked with great skepticism. In my mind, unequivocally, the answer is yes. It works because you are buying an asset for a far lower price than what it is worth. So, we asked Fundata to supply the data and found the results of Chou Asia Fund to be a huge surprise over the long term! It is ranked 1st over the 15-year period.

Fund category and rank	Performance period (number of years)			
	3	5	10	15
Asia-Pacific equity (excluding Japan):				
Chou Asia Fund (Series A), rank	1	1	1	1
Number of funds in this category	43	42	40	16

Source: All data courtesy of Fundata.

Stock strategies for minimizing capital gains taxes —and maximizing returns

When the Liberal government announced in June 2024 that it would raise the capital gains inclusion rate (the amount of capital gains subject to tax) to 66%, it brought back memories of 45 years ago. In 1979, a period when capital gains taxes were high in both the United States and Canada, I was learning about value investing.

Table 1: Capital gains tax rates for select years from 1975 to 2024

Year(s)	Capital gains tax rate		
	United States		Canada
	Individual (%)	Corporate (%)	Individual (%) (top marginal rate)
2024	20	21	36*
2018–2023	20	21	27
2016–2017	20	35	27
2013–2015	20	35	25
1993–1997	28	35	35
1990–1992	28**	34	35
1988–1989	28**	34	31
1987	28**	34	26
1979	35	30	31
1978	33.8	30	31
1975–1977	35	30	31

* Proposed.

** Assumes 10-year holding period; 30% of capital gain recognized.

Sources: Wolters Kluwer CCH, World Tax Database, OECD Tax Database, Tax Foundation.

What impressed me most was that your after-tax return would be substantially different if you bought a stock and sold it within one year versus if you held it for 40 years and then sold it. The longer you kept the stock, the greater the benefit.

Impact on after-tax returns when selling annually versus holding for 40 years

Let's look at two examples.

Investor A buys \$1 million in stock, holds it for 40 years, and sells it at the end of year 40.

Table 2: Investor A (buy and hold) — after-tax return at the end of the 40-year period

		Capital gains tax rate							
		35%		30%		25%		20%	
		AFTER-TAX RETURN							
		Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)
PRE-TAX RETURN	8%	6.9	14.5	7.1	15.5	7.3	16.5	7.4	17.6
	10%	8.9	29.8	9.0	32.0	9.2	34.2	9.4	36.4
	12%	10.8	60.8	11.0	65.4	11.2	70.0	11.4	74.6
	15%	13.8	174.5	14.0	187.8	14.2	201.1	14.4	214.5
	20%	18.7	955.7	18.9	1,029.1	19.1	1,102.6	19.3	1,176.0

Investor B buys \$1 million in stock, sells it at the end of every year, and rebuys the stock at the beginning of the next year.

Table 3: Investor B (buy and sell annually) — after-tax return at the end of the 40-year period

		Capital gains tax rate							
		35%		30%		25%		20%	
		AFTER-TAX RETURN							
		Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)
PRE-TAX RETURN	8%	5.2	7.6	5.6	8.8	6.0	10.3	6.4	12.0
	10%	6.5	12.4	7.0	15.0	7.5	18.0	8.0	21.7
	12%	7.8	20.2	8.4	25.2	9.0	31.4	9.6	39.1
	15%	9.8	41.3	10.5	54.3	11.3	71.1	12.0	93.1
	20%	13.0	132.8	14.0	188.9	15.0	267.9	16.0	378.7

Let's say your pre-tax return is 20% each year for 40 years. If you sell it at the end of one year, your annualized after-tax return is 13.0%, assuming the capital gains tax rate is 35% for those 40 years (Table 3). However, if you had held the stock and sold at the end of the 40 years, your after-tax return would be 18.7% (Table 2). If you don't believe me, do the math yourself.

What are the implications? At a pre-tax rate of return of 20% and a tax rate of 35%, \$1 million would grow to \$132.8 million, a handsome return, but it is totally dwarfed by the \$955.7 million (almost \$1 billion!) you would have earned if you had bought and held the stock and sold it only in the 40th year.

A 20% annual rate of return over 40 years is rare, but the magical effect is still quite substantial even if you take a 12% annual rate of return and a 35% tax rate: \$1 million would net you \$20.2 million after tax if you realize gains yearly, versus \$60.8 million after tax if you sell it in the 40th year.

Impact on after-tax returns when selling after three, five, and 10 years

Most value investors hold their stocks for between three and five years. We prepared the tables for three, five and 10 years so readers can see what impact it has on after-tax returns for different rates of return. There is a marginal benefit holding it for three years, but the benefits become meaningful when you hold it for 10 years or longer.

Table 4: Realizing gains every 3 years

		Capital gains tax rate							
		35%		30%		25%		20%	
		AFTER-TAX RETURN							
PRE-TAX RETURN		Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)
	8%	5.3	8.0	5.7	9.3	6.1	10.7	6.5	12.4
	10%	6.7	13.4	7.2	16.1	7.7	19.2	8.1	22.9
	12%	8.1	22.5	8.7	27.9	9.2	34.3	9.8	42.2
	15%	10.2	48.8	10.9	63.1	11.6	81.2	12.3	104.0
	20%	13.8	175.2	14.7	242.6	15.6	333.3	16.5	454.5

Table 5: Realizing gains every 5 years

		Capital gains tax rate							
		35%		30%		25%		20%	
		AFTER-TAX RETURN							
PRE-TAX RETURN		Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)
	8%	5.5	8.4	5.8	9.7	6.2	11.2	6.6	12.8
	10%	6.9	14.5	7.4	17.2	7.8	20.4	8.3	24.1
	12%	8.4	25.0	8.9	30.6	9.5	37.2	10.0	45.1
	15%	10.6	56.9	11.3	72.4	12.0	91.4	12.6	114.7
	20%	14.5	224.5	15.3	302.1	16.2	402.3	17.0	530.4

Table 6: Realizing gains every 10 years

		Capital gains tax rate							
		35%		30%		25%		20%	
		AFTER-TAX RETURN							
PRE-TAX RETURN		Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)
	8%	5.8	9.4	6.1	10.8	6.5	12.2	6.8	13.8
	10%	7.4	17.2	7.8	20.0	8.2	23.2	8.6	26.8
	12%	9.0	31.5	9.5	37.5	9.9	44.3	10.4	51.9
	15%	11.5	78.8	12.1	96.2	12.6	116.3	13.1	139.5
	20%	15.9	366.2	16.6	461.2	17.2	573.6	17.8	705.3

From the tables, you can see that for the same pre-tax rate of return, there are substantial differences in the after-tax return if you hold for the long term versus selling in a year. This raises several interesting points:

1. It is a perfect tax shelter. Instead of the tax rate being 35%, the effective tax rate is 6.4%. This is because your annual rate of return after tax is 18.7% on a 20% pre-tax rate of return if you sell it only in the 40th year. Therefore, your effective tax rate is 6.4% and will decrease as you hold it longer. This feels like an almost tax-free rate of return.

2. It boosts your effective rate of return. To generate an 18.7% after-tax return, if you sell the stock yearly, you would need a pre-tax compound rate of return of 28.8% — an almost impossible rate of return to sustain over 40 years.
3. It's important to choose investments wisely. If you know how beneficial it is to hold a stock for 40 years, what type of companies would you invest in? I was aware of this formula 45 years ago. I favoured companies with a relatively young founder or CEO who was a great capital allocator and could compound the intrinsic value at 12% or better over long periods. Even if the stock is overvalued during some of those 40 years, it is better not to sell when the capital gains tax rate is high. This is one of the keys to building significant wealth.

One perplexing problem occurs if you buy and hold a stock that has compounded at 20% over 40 years but whose intrinsic value is now growing at 8% annually for the foreseeable future. Would you sell the stock? Consider the ramifications. When you sell it, you start 35% lower because you must pay taxes. Also, keep in mind that to generate an after-tax return of 8%, you would need to generate an annual return of 12.3%. The tables above highlight just some of the differences in returns between the two approaches. I could have presented many more interesting scenarios, but I did not want to inundate my readers with too many tables!

Portfolio Commentary

China

We invested in China several years ago and have been quite successful. Despite doing well, we have always been bothered by the communist and dictatorial nature of the regime. We have grappled with some of the issues listed below:

- 1) The Rule of Law does not properly exist in China. Unlike in the United States where your grievances can be addressed by the impartial judicial system, in China, it is controlled by the Communist Party, and political decisions take precedence over the facts of the case.
- 2) You cannot trust the local auditors even if they are independent. Under the guise of “National security concerns”, foreign international auditors cannot work-- or if they do perform the work – they have to toe the party line. Therefore, it is hard to be comfortable with the numbers.
- 3) One of the most irritating aspects is the ownership of securities. As a shareholder, you do not own the companies you invest in. You own a shell with the right to the earnings of the company you have supposedly invested in. It is called a “Variable Interest Entity”. If such a system existed in the United States or Canada, you would call it “A Total Bullshit System” that is meant to fleece the shareholders.
- 4) The Communist Party uses a provision that allows it to buy 1% of the company's outstanding shares. This 1% share ownership has special rights and privileges (commonly called “Golden Shares”) and allows the Communist Party to influence and dictate what the companies can do.

Despite our misgivings, we have done quite well with our Chinese stocks. One example is BYD Electronics. Our purchase price was as low as \$HKD 1.58; at year-end, it was \$HKD 42.05.

I believe the best way to handicap the risk is to buy excellent Chinese companies at a considerable discount to comparable American companies and to reduce our holdings in China to less than 20% at cost.

Caution to the Investors

Investors should be advised that we run a highly focused portfolio, frequently just three to five securities may comprise more than 50% of the assets of the Fund. In addition, the Fund has securities that are non-U.S. and could be subjected to geopolitical risks, which may trump or at least negatively influence the financial performance of the company. Also, we may enter into some derivative contracts, such as credit default swaps when we feel that the market conditions are right to use those instruments. Because of any or all of these factors, the net asset value of the Fund can be from time to time more volatile than at other times. However, we are not bothered by this volatility because our focus has always been, and continues to be, on how inexpensive we believe the Fund's portfolio holdings are relative to what we believe to be their intrinsic value. Also, the Fund's cash and cash equivalent position was approximately 27.6% of net assets as at December 31, 2024.

Other Matters

FOREIGN CURRENCY CONTRACTS: None existed at December 31, 2024.

CREDIT DEFAULT SWAPS: None existed at December 31, 2024.

U.S. DOLLAR VALUATION: Any investor who wishes to purchase the Chou Funds in U.S. dollars may do so.

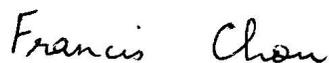
REDEMPTION FEE: We have a redemption fee of 2% if unitholders redeem their units in less than 3 months. None of this fee goes to the Fund Manager. It is put back into the Fund for the benefit of the remaining unitholders.

INDEPENDENT REVIEW COMMITTEE: The Manager has established an IRC as required by NI 81-107. The members of the IRC are Sanford Borins, Peter Gregoire and Joe Tortolano. The 2024 IRC Annual Report is available on our website www.choufunds.com.

As of March 14, 2025, the NAVPU of a Series A unit of the Fund was \$32.89 and the cash and cash equivalent position was approximately 21.5% of net assets. The Fund is up 15.6% from the beginning of the year. In U.S. dollars, it is up 15.7%.

Except for the performance numbers of the Chou Asia Fund, this letter contains estimates and opinions of the Fund Manager and is not intended to be a forecast of future events, a guarantee of future returns or investment advice. Any recommendations contained or implied herein may not be suitable for all investors.

Yours truly,



Francis Chou
Fund Manager

CHOU ASIA FUND

Statements of Financial Position

December 31, 2024 and 2023

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,572,669	\$ 5,263,238
Investments (note 8)	11,992,747	10,279,347
Due from broker	-	528,875
Interest receivable	64	4,809
Dividends receivable	45,652	35,536
Total assets	16,611,132	16,111,805
Liabilities		
Current liabilities:		
Accrued expenses	153,382	126,171
Distributions payable	4,822	-
Total liabilities	158,204	126,171
Net assets attributable to unitholders of redeemable units	\$ 16,452,928	\$ 15,985,634
Net assets attributable to unitholders of redeemable units:		
Series A	\$ 7,067,131	\$ 7,408,382
Series F	9,385,797	8,577,252
	\$ 16,452,928	\$ 15,985,634
Number of redeemable units outstanding (note 4):		
Series A	248,278	305,074
Series F	321,608	344,150
Net assets attributable to unitholders of redeemable units per unit:		
Canadian dollars:		
Series A	\$ 28.46	\$ 24.28
Series F	29.18	24.92
U.S. dollars:		
Series A	19.80	18.32
Series F	20.30	18.81

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

Approved on behalf of the Board of Directors of Chou Associates Management Inc.:

Francis Chou



CHOU ASIA FUND

Statements of Comprehensive Income (Loss)

Years ended December 31, 2024 and 2023

	2024	2023
Income:		
Interest for distribution purposes and other	\$ 171,110	\$ 155,772
Dividends	271,547	391,882
Securities lending income (note 7)	538	213
Foreign currency gain (loss) on cash and cash equivalents and other net assets	134,077	(133,163)
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:		
Net realized gain on disposal of investments	382,755	429,473
Change in unrealized appreciation on investments	1,922,375	2,046,731
	2,882,402	2,890,908
Expenses:		
Management fees (note 5(a))	216,568	224,380
Custodian fees	60,928	60,762
ADR Fees	-	564
Audit fees (note 10)	17,331	13,578
Filing fees	12,233	2,894
Independent review committee fees	2,968	5,044
FundSERV fees	3,772	2,572
Legal fees	-	536
Transaction costs (note 6)	1,233	2,909
Foreign withholding taxes	18,852	60,612
Other	4,557	552
	338,442	374,403
Increase in net assets attributable to unitholders of redeemable units	\$ 2,543,960	\$ 2,516,505
Increase in net assets attributable to unitholders of redeemable units per series:		
Series A	\$ 1,090,893	\$ 1,117,545
Series F	1,453,067	1,398,960
	\$ 2,543,960	\$ 2,516,505
Average number of redeemable units outstanding for the year per series:		
Series A	269,764	317,943
Series F	327,592	366,740
Increase in net assets attributable to unitholders of redeemable units per unit:		
Series A	\$ 4.04	\$ 3.51
Series F	4.44	3.81

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

CHOU ASIA FUND

Statements of Changes in Net Assets Attributable to Unitholders of Redeemable Units

Years ended December 31, 2024 and 2023

	2024	2023
Series A		
Net assets attributable to unitholders of redeemable units, beginning of year	\$ 7,408,382	\$ 6,914,008
Increase in net assets attributable to unitholders of redeemable units	1,090,893	1,117,545
Proceeds from issue of redeemable units	37,691	24
Payments on redemption of redeemable units	(1,469,732)	(622,450)
Distributions of income to unitholders:		
Investment income	(19,039)	(67,141)
Reinvested distributions	18,936	66,396
Net assets attributable to unitholders of redeemable units, end of year	7,067,131	7,408,382
Series F		
Net assets attributable to unitholders of redeemable units, beginning of year	8,577,252	8,411,176
Increase in net assets attributable to unitholders of redeemable units	1,453,067	1,398,960
Proceeds from issue of redeemable units	244,763	255,437
Payments on redemption of redeemable units	(884,566)	(1,485,070)
Distributions of income to unitholders:		
Investment income	(87,218)	(111,209)
Reinvested distributions	82,499	107,958
Net assets attributable to unitholders of redeemable units, end of year	9,385,797	8,577,252
Total net assets attributable to unitholders of redeemable units, end of year	\$ 16,452,928	\$ 15,985,634

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

CHOU ASIA FUND

Statements of Cash Flows

Years ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Increase in net assets attributable to unitholders of redeemable units	\$ 2,543,960	\$ 2,516,505
Adjustments for:		
Foreign currency (gain) loss on cash and cash equivalents and other net assets	(134,077)	133,163
Net realized gain on disposal of investments	(382,755)	(429,473)
Change in unrealized appreciation on investments	(1,922,375)	(2,046,731)
Purchases of investments	-	(15,093)
Proceeds from sale of investments	1,120,605	2,033,907
Change in non-cash operating working capital:		
Decrease in interest receivable	4,745	493
Increase in dividends receivable	(10,116)	(4,978)
Increase in accrued expenses	27,211	42,646
Net cash generated from operating activities	1,247,198	2,230,439
Cash flows from financing activities:		
Distributions paid to unitholders	-	(3,996)
Proceeds from redeemable units issued	282,454	308,171
Amount paid on redemption of redeemable units	(2,354,298)	(2,107,520)
Net cash used in financing activities	(2,071,844)	(1,803,345)
Foreign currency gain (loss) on cash and cash equivalents and other net assets	134,077	(133,163)
(Decrease) increase in cash and cash equivalents	(690,569)	293,931
Cash and cash equivalents, beginning of year	5,263,238	4,969,307
Cash and cash equivalents, end of year	\$ 4,572,669	\$ 5,263,238
Supplemental information:		
Interest received	\$ 175,855	\$ 156,265
Dividends received, net of withholding tax	242,579	326,292
Security lending income received	538	213

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

CHOU ASIA FUND

Schedule of Investments

December 31, 2024

	Number of securities	Cost	Fair value
Equities*			
AJIS Company Limited	30,400	\$ 213,157	\$ 648,486
Alibaba Group Holding Limited, ADR	3,400	406,470	414,397
BYD Electronic (International) Company Limited	618,000	149,881	4,809,650
Capital A Berhad	650,000	670,997	208,955
China Yuchai International Limited	73,364	1,242,575	1,005,006
IDFC Limited	1,010,000	750,376	1,659,613
Postal Savings Bank of China Company Limited	456,000	401,912	386,536
Shriram Finance Limited	51,642	942,551	2,505,084
Tencent Holdings Limited	4,600	320,964	355,020
Total long		5,098,883	11,992,747
Total investments		5,098,883	11,992,747
Transaction costs		(12,007)	-
Portfolio total		\$ 5,086,876	\$ 11,992,747

* Common shares unless indicated otherwise

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

CHOU ASIA FUND

Discussion of Financial Risk Management

Years ended December 31, 2024 and 2023

Investment objective and strategies:

Chou Asia Fund's objective is to provide long-term growth of capital by investing primarily in equity securities of Asian businesses considered by the Manager to be undervalued. Investments may be made in securities other than equities and in businesses located outside of Asia. Investments may include common and preferred shares, convertible debentures, government and corporate bonds and short-term debt. The Fund may also use derivatives such as, but not limited to, futures, options, swaps and forward contracts to gain exposure to securities and asset classes consistent with the objectives of the Fund, and to hedge portfolio exposure against losses from foreign currency and domestic currency exposure and changes in securities prices.

The investment process followed in selecting equity investments for the Fund is a value-oriented approach to investing that focuses on the Asian market. The investment strategy follows strong disciplines with regard to price paid to acquire portfolio investments. The level of investments in the Fund's securities is generally commensurate with the current price of the company's securities in relation to its intrinsic value. That approach is designed to provide an extra margin of safety, which in turn serves to reduce overall portfolio risk.

Financial risk management:

The Fund's investment activities expose it to various types of risk associated with the financial instruments and markets in which it invests. The Fund's risk management goals are to ensure that the outcome of activities involving risk is consistent with the Fund's objectives and risk tolerance.

(a) Other price risk:

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Approximately 72.89% (2023 – 64.30%) of the Fund's net assets held at December 31, 2024 were publicly traded equities. If equity prices on the exchange had increased or decreased by 5.00% as at December 31, 2024, the net assets of the Fund would have increased or decreased by approximately \$599,637 or 3.64% (2023 - \$513,967 or 3.21%) of the net assets, all other factors remaining constant.

In practice, the actual trading results may differ and the difference could be material.

CHOU ASIA FUND

Discussion of Financial Risk Management

Years ended December 31, 2024 and 2023

Financial risk management (continued):

(b) Foreign currency risk:

Currencies to which the Fund had exposure as at December 31, 2024 and 2023 expressed in CAD are as follows:

2024	Investments	Cash and cash equivalents	Other assets and liabilities	Total	Percentage of net asset value
Hong Kong dollar (HKD)	\$ 5,551,206	\$ -	\$ -	\$ 5,551,206	33.7%
United States dollar (USD)	\$ 1,419,402	\$ 4,497,562	\$ 33,467	\$ 5,950,431	36.2%
Indian Rupee (₹)	\$ 4,164,698	\$ 15,108	\$ -	\$ 4,179,806	25.4%
New Zealand dollar (NZD)	\$ -	\$ -	\$ -	\$ -	0.0%
Japanese yen (¥)	\$ 648,486	\$ -	\$ 274	\$ 648,760	3.9%
Malaysian Ringgit (RM)	\$ 208,955	\$ -	\$ -	\$ 208,955	1.3%
Chinese Renminbi (¥)	\$ -	\$ -	\$ 11,937	\$ 11,937	0.1%

2023	Investments	Cash and cash equivalents	Other assets and liabilities	Total	Percentage of net asset value
Hong Kong dollar (HKD)	\$ 4,581,901	\$ 172,017	\$ -	\$ 4,753,918	29.7%
United States dollar (USD)	\$ 1,163,824	\$ 3,777,013	\$ 40,053	\$ 4,980,890	31.2%
Indian Rupee (₹)	\$ 3,725,339	\$ 347,813	\$ -	\$ 4,073,152	25.5%
New Zealand dollar (NZD)	\$ -	\$ 753,031	\$ 528,875	\$ 1,281,906	8.0%
Japanese yen (¥)	\$ 653,646	\$ 74,792	\$ 205	\$ 728,643	4.6%
Malaysian Ringgit (RM)	\$ 154,637	\$ -	\$ -	\$ 154,637	1.0%

The amounts in the above tables are based on the market value of the Fund's financial instruments. This includes cash and cash equivalents, investments, dividends receivable, interest receivable and due from broker that are denominated in foreign currencies.

As at December 31, 2024, if the Canadian dollar had strengthened or weakened by 1.00% in relation to all currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$165,511 (2023 - \$159,731).

In practice, the actual trading results may differ and the difference could be material.

CHOU EUROPE FUND (unaudited)

March 14, 2025

Dear Unitholders of Chou Europe Fund,

After the distribution of \$0.86, the net asset value per unit (“NAVPU”) of a Series A unit of Chou Europe Fund at December 31, 2024 was \$10.02 compared to \$11.41 at December 31, 2023, a decrease of 4.6%; during the same period, the MSCI AC (Morgan Stanley Capital International All Country) Europe Total Return Index in Canadian dollars increased by 11.6%. In U.S. dollars, a Series A unit of Chou Europe Fund was down 12.1% while the MSCI AC Europe Total Return Index increased by 2.5%.

The table shows our one-year, three-year, five-year, 10-year and 15-year annual compound rates of return.

December 31, 2024 (Series A)	1 Year	3 Years	5 Years	10 Years	15 Years
Chou Europe Fund (\$CAN)	-4.6%	12.9%	11.8%	2.7%	5.5%
MSCI AC Europe TR (\$CAN)	11.6%	5.5%	7.1%	7.6%	7.5%
Chou Europe Fund (\$US)	-12.1%	8.1%	9.6%	0.6%	3.3%
MSCI AC Europe TR (\$US)	2.5%	1.1%	4.9%	5.3%	5.3%

Rates of return are historical total returns that include changes in unit prices, and assume the reinvestment of all distributions. These annual compounded returns do not take into account any sales charges, redemption fees, other optional expenses or income taxes that you have to pay and that could reduce these returns. The returns are not guaranteed. The Fund’s past performance does not necessarily indicate future performance. The table is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the mutual funds or returns on the mutual funds. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing.

Factors Influencing the 2024 Results

The major advancer in 2024 was the equity holding of Prosus NV.

The largest decliners in 2024 were the equity holdings of Ryanair Holdings PLC, Wizz Air Holdings Plc and Stellantis NV.

The euro appreciated against the Canadian currency during the period, which contributed positively to the performance of the Fund.

During the period, the Fund initiated investments in the common equity of EXOR NV. In addition, the Fund acquired the common equity of Sunrise Communications AG, through a spin-off from Liberty Global in 2024.

The Fund did not enter into any forward currency contracts for pounds sterling or euros in 2024. The Fund also had no covered call options in its portfolio as at December 31, 2024.

How did Chou Europe Fund perform versus its peers over the long term?

Over the years, I have been asked frequently whether value investing truly works over the long term. Prior to two years ago, that question was usually asked with great skepticism. In my mind, unequivocally, the answer is yes. It works because you are buying an asset for a far lower price than what it is worth.

This respectable performance is despite the fact that the results include the 2015 to 2020 period—a hellish time for value investing. In fact, the impact was so great, it even affected the 10-year and 15-year results.

Fund category and rank	Performance period (number of years)			
	3	5	10	15
European equity:				
Chou Europe Fund (Series A), rank	1	2	69	29
Chou Europe Fund (Series F), rank	2	1	68	28
Number of funds in this category	101	98	69	47

Source: All data courtesy of Fundata.

Portfolio Commentary

Prosus N V (“Prosus”)

Prosus trades on the Netherland Stock Exchange. Although it is engaged in e-commerce and internet businesses, the best way to understand the company is to visualize that it owns a portfolio of private and public companies. Its biggest asset is Tencent which comprises more than 75% of the net asset value of Prosus based on current prices. Tencent itself was undervalued but Prosus also sold at more than a 50% discount to its net asset value. This piqued our interest.

The Board of Directors of Prosus announced a share repurchase program on June 27, 2023:

“The repurchase program is expected to efficiently unlock immediate value for the shareholders of Prosus.

Prosus will begin selling small numbers of ordinary shares in Tencent Holdings Limited (“Tencent”) held by the Group (“Tencent Shares”) regularly and in an orderly manner, while concurrently purchasing Prosus Shares pursuant to the repurchase program, as long as the Group’s trading discount to net asset value is at elevated levels. Tencent is supportive of the withdrawal by Prosus of its voluntary restriction on the sale of its Tencent Shares.”

As of December 31, 2024, Prosus repurchased 459,465,000 shares at an average price of EUR 45.96 per share for a total consideration of EUR 21.1 billion (US\$22.5 billion).

Fiat Chrysler Automobiles (“FIAT”), now called Stellantis

We initiated a position in FIAT back in late 2018 since it was a cheap stock with good amounts of cash. It caught our attention when its controlling shareholders stated that it wanted to unlock value either by paying special dividends, buying back shares, or through strategic mergers and acquisitions. Since our purchase in December 2018, we have received US\$9.16 in regular and special dividends, accounting for over 63.2% of the original price paid. We expect the regular and special dividend payments to continue.

The company announced three years ago that they would have cost savings of EUR 5 billion a year for a total of EUR 25 billion in 5 years. The market capitalization of Stellantis is currently at approximately EUR 33 billion, with a lot of room for upside if some of those cost savings come to pass.

Stellantis is the biggest holding in the Fund. We are quite happy to hold this stock. Given the cash earnings potential from operations over the next few years, it sells at a low-earnings multiple. If management were wasting or misusing cash from operations, I would be concerned. But they are doing all the right things. The Board announced a share buyback program of up to Euro 3.0 billion on February 15, 2024. Following the completion of the first tranche in May 2024 and the second tranche in June 2024, Stellantis purchased a total of 92,120,409 common shares for a total consideration of EUR 2.0 billion. The company also completed the third and the last tranche since August, with 72,041,332 common shares for a total consideration of EUR 1.0 billion.

Caution to the Investors

Investors should be advised that we run a highly focused portfolio, frequently just three to five securities may comprise close to 50% of the assets of the Fund. In addition, the Fund has securities that are non-U.S. and could be subjected to geopolitical risks, which may trump or at least negatively influence the financial performance of the company. Because of any or all of these factors, the net asset value of the Fund can be from time to time more volatile than at other times. However, we are not bothered by this volatility because our focus has always been, and continues to be, on how inexpensive we believe the Fund's portfolio holdings are relative to what we believe to be their intrinsic value.

Also, the Fund's cash and cash equivalent position was approximately 27.7% of net assets as at December 31, 2024. This large cash position may depress returns for a while as we hunt for undervalued securities. Obviously, if there is a severe correction in the market in the near future, it will cushion the Fund against losses while providing us with the wherewithal to find good investment opportunities. But for now, it could be a drag on returns. If we cannot find any bargains, the large cash position may stay for a long time.

Other Matters

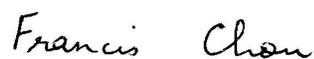
REDEMPTION FEE: We have a redemption fee of 2% if unitholders redeem their units in less than 3 months. None of this fee goes to the Fund Manager. It is put back into the Fund for the benefit of the remaining unitholders.

INDEPENDENT REVIEW COMMITTEE: The Manager has established an IRC as required by NI 81-107. The members of the IRC are Sanford Borins, Peter Gregoire and Joe Tortolano. The 2024 IRC Annual Report is available on our website www.choufunds.com.

As of March 14, 2025, the NAVPU of a Series A unit of the Fund was \$10.50 and the cash and cash equivalent position was approximately 26.7% of net assets. The Fund is up 4.8% from the beginning of the year. In U.S. dollars, it is up 4.9%.

Except for the performance numbers of the Chou Europe Fund, this letter contains estimates and opinions of the Fund Manager and is not intended to be a forecast of future events, a guarantee of future returns or investment advice. Any recommendations contained or implied herein may not be suitable for all investors.

Yours truly,



Francis Chou
Fund Manager

CHOU EUROPE FUND

Statements of Financial Position

December 31, 2024 and 2023

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 864,495	\$ 1,024,358
Investments (note 8)	2,256,337	2,257,827
Dividends receivable	1,655	-
Interest receivable	90	1,146
Receivable for redeemable units subscribed	-	5,000
Total assets	3,122,577	3,288,331
Liabilities		
Current liabilities:		
Accrued expenses	7,044	7,342
Payable for units redeemed	5,000	-
Distributions payable	5,317	-
Total liabilities	17,361	7,342
Net assets attributable to unitholders of redeemable units	\$ 3,105,216	\$ 3,280,989
Net assets attributable to unitholders of redeemable units:		
Series A	\$ 923,109	\$ 1,299,064
Series F	2,182,107	1,981,925
	\$ 3,105,216	\$ 3,280,989
Number of redeemable units outstanding (note 4):		
Series A	92,113	113,823
Series F	212,406	169,026
Net assets attributable to unitholders of redeemable units per unit:		
Canadian dollars:		
Series A	\$ 10.02	\$ 11.41
Series F	10.27	11.73
U.S. dollars:		
Series A	6.97	8.61
Series F	7.14	8.85

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

Approved on behalf of the Board of Directors of Chou Associates Management Inc.:

Francis Chou



CHOU EUROPE FUND

Statements of Comprehensive Income (Loss)

Years ended December 31, 2024 and 2023

	2024	2023
Income:		
Interest for distribution purposes and other	\$ 37,038	\$ 25,149
Dividends	241,813	62,065
Securities lending income (note 7)	4,292	248
Foreign currency gain (loss) on cash and cash equivalents and other net assets	22,574	(20,665)
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:		
Net realized gain on investments	33,153	478,847
Change in unrealized (depreciation) appreciation on investments	(452,982)	441,017
	(114,112)	986,661
Expenses:		
Custodian fees	9,885	9,342
Audit fees (note 10)	4,473	4,460
Filing fees	2,483	620
Independent review committee fees	585	1,114
FundSERV fees	732	730
Legal fees	-	118
Transaction costs (note 6)	757	2,098
Foreign withholding taxes	10,659	9,130
Other	923	925
	30,497	28,537
(Decrease) increase in net assets attributable to unitholders of redeemable units	\$ (144,609)	\$ 958,124
(Decrease) increase in net assets attributable to unitholders of redeemable units per series:		
Series A	\$ (44,776)	\$ 415,379
Series F	(99,833)	542,745
	\$ (144,609)	\$ 958,124
Average number of redeemable units outstanding for the year per series:		
Series A	100,055	129,289
Series F	179,562	169,492
(Decrease) increase in net assets attributable to unitholders of redeemable units per unit:		
Series A	\$ (0.45)	\$ 3.21
Series F	(0.56)	3.20

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

CHOU EUROPE FUND

Statements of Changes in Net Assets Attributable to Unitholders of Redeemable Units

Years ended December 31, 2024 and 2023

	2024	2023
Series A		
Net assets attributable to unitholders of redeemable units, beginning of year	\$ 1,299,064	\$ 1,102,160
(Decrease) increase in net assets attributable to unitholders of redeemable units	(44,776)	415,379
Proceeds from issue of redeemable units	36,800	300,719
Payments on redemption of redeemable units	(367,979)	(519,136)
Distributions of income to unitholders:		
Investment income	(73,082)	(25,608)
Reinvested distributions	73,082	25,550
Net assets attributable to unitholders of redeemable units, end of year	923,109	1,299,064
Series F		
Net assets attributable to unitholders of redeemable units, beginning of year	1,981,925	1,329,171
(Decrease) increase in net assets attributable to unitholders of redeemable units	(99,833)	542,745
Proceeds from issue of redeemable units	763,054	968,568
Payments on redemption of redeemable units	(457,722)	(856,023)
Distributions of income to unitholders:		
Investment income	(177,446)	(38,712)
Reinvested distributions	172,129	36,176
Net assets attributable to unitholders of redeemable units, end of year	2,182,107	1,981,925
Total net assets attributable to unitholders of redeemable units, end of year	\$ 3,105,216	\$ 3,280,989

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

CHOU EUROPE FUND

Statements of Cash Flows

Years ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
(Decrease) increase in net assets attributable to unitholders of redeemable units	\$ (144,609)	\$ 958,124
Adjustments for:		
Foreign currency (gain) loss on cash and cash equivalents and other net assets	(22,574)	20,665
Net realized gain on disposal of investments	(33,153)	(478,847)
Change in unrealized depreciation (appreciation) on investments	452,982	(441,017)
Proceeds from sale and maturity of investments	32,790	853,716
Purchase of investments	(451,129)	-
Change in non-cash operating working capital:		
Decrease (increase) in interest receivable	1,056	(960)
(Increase) decrease in dividends receivable	(1,655)	491
(Decrease) increase in accrued expenses	(298)	3,005
Net cash (used in) generated from operating activities	(166,590)	915,177
Cash flows from financing activities:		
Distributions paid to unitholders	-	(2,594)
Proceeds from redeemable units issued	804,854	1,264,287
Amount paid on redemption of redeemable units	(820,701)	(1,375,159)
Net cash used in financing activities	(15,847)	(113,466)
Foreign currency gain (loss) on cash and cash equivalents and other net assets	22,574	(20,665)
(Decrease) increase in cash and cash equivalents	(159,863)	781,046
Cash and cash equivalents, beginning of year	1,024,358	243,312
Cash and cash equivalents, end of year	\$ 864,495	\$ 1,024,358
Supplemental information:		
Interest received, net of withholding tax	\$ 38,094	\$ 24,189
Dividends received, net of withholding tax	229,499	53,426
Security lending income received	4,292	248

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

CHOU EUROPE FUND

Schedule of Investments

December 31, 2024

	Number of securities		Cost		Fair value
Equities*					
Exor NV	2,250	\$	287,247	\$	296,661
Liberty Global PLC, Class 'A'	12,000		373,934		220,102
Prosus NV	7,410		319,086		423,130
Ryanair Holdings PLC, ADR	5,937		68,562		372,003
Stellantis NV	30,000		583,249		562,762
Sunrise Communications AG, ADR	2,400		164,640		148,621
Wizz Air Holdings PLC	9,000		303,145		233,058
Total long			2,099,863		2,256,337
Total investments			2,099,863		2,256,337
Transaction costs			(4,488)		-
Portfolio total		\$	2,095,375	\$	2,256,337

* Common shares unless indicated otherwise

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

CHOU EUROPE FUND

Discussion of Financial Risk Management

Years ended December 31, 2024 and 2023

Investment objective and strategies:

Chou Europe Fund's objective is to provide long-term growth of capital by investing primarily in equity securities of European businesses considered by the Manager to be undervalued. Investments may be made in securities other than equities and in businesses located outside of Europe. Investments may include common and preferred shares, convertible debentures, government and corporate bonds and short-term debt. The Fund may also use derivatives such as, but not limited to, futures, options, swaps and forward contracts to gain exposure to securities and asset classes consistent with the objectives of the Fund, and to hedge portfolio exposure against losses from foreign currency and domestic currency exposure and changes in securities prices.

The investment strategy follows strong disciplines with regard to price paid to acquire portfolio investments. The level of investments in the Fund's securities is generally commensurate with the current price of the Fund's securities in relation to its intrinsic value. That approach is designed to provide an extra margin of safety, which in turn serves to reduce overall portfolio risk.

Financial risk management:

The Fund's investment activities expose it to various types of risk associated with the financial instruments and markets in which it invests. The Fund's risk management goals are to ensure that the outcome of activities involving risk is consistent with the Fund's objectives and risk tolerance.

(a) Other price risk:

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Approximately 72.66% of the Fund's net assets held at December 31, 2024 were publicly traded equities (2023 – 68.83%). If equity prices on the exchange had increased or decreased by 5.00% as at December 31, 2024, the net assets of the Fund would have increased or decreased by approximately \$112,817 or 3.63% (2023 - \$112,891 or 3.44%) of the net assets, all other factors remaining constant.

In practice, the actual trading results may differ and the difference could be material.

(b) Foreign currency risk:

Currencies to which the Fund had exposure as at December 31, 2024 and 2023 expressed in CAD are as follows:

2024	Investments	Cash and cash equivalents	Other assets and liabilities	Total	Percentage of net asset value
United States dollar (USD)	\$ 1,536,546	\$ 717,075	\$ 1,656	\$ 2,255,277	72.6%
Sterling pound (£)	\$ -	\$ -	\$ -	\$ -	0.0%
Euro currency (€)	\$ 719,791	\$ 938	\$ -	\$ 720,729	23.2%

CHOU EUROPE FUND

Discussion of Financial Risk Management

Years ended December 31, 2024 and 2023

Financial risk management (continued):

(b) Foreign currency risk (continued):

2023	Investments	Cash and cash equivalents	Other assets and liabilities	Total	Percentage of net asset value
United States dollar (USD)	\$ 1,965,330	\$ 822,120	\$ 1,022	\$ 2,788,472	85.0%
Sterling pound (£)	\$ -	\$ 3,176	\$ -	\$ 3,176	0.1%
Euro currency (€)	\$ 292,497	\$ 2,815	\$ -	\$ 295,312	9.0%

The amounts in the above tables are based on the market value of the Fund's financial instruments. This includes cash and cash equivalents, investments, interest receivable, dividend receivable, receivable for redeemable units subscribed and payable for units redeemed that are denominated in foreign currencies.

As at December 31, 2024, if the Canadian dollar had strengthened or weakened by 1.00% in relation to all currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$29,760 (2023 - \$30,870).

In practice, the actual trading results may differ and the difference could be material.

CHOU BOND FUND

(unaudited)

March 14, 2025

Dear Unitholders of Chou Bond Fund,

After the distribution of \$0.40, the net asset value per unit (“NAVPU”) of a Series A unit of Chou Bond Fund at December 31, 2024 was \$9.83 compared to \$8.66 at December 31, 2023, an increase of 18.2%; during the same period, Barclays U.S. Corporate High Yield Index (\$CAN) increased 18.0% in Canadian dollars. In U.S. dollars, a Series A unit of Chou Bond Fund returned 9.0% while Barclays U.S. Corporate High Yield Index increased 8.2%.

The table shows our one-year, three-year, five-year, 10-year and 15-year annual compound rates of return.

December 31, 2024 (Series A)	1 Year	3 Years	5 Years	10 Years	15 Years
Chou Bond Fund (\$CAN)	18.2%	7.8%	17.2%	7.0%	8.2%
Barclays’ U.S. High Yield (\$CAN)	18.0%	7.5%	6.4%	7.5%	8.7%
Chou Bond Fund (\$US)	9.0%	3.3%	14.8%	4.7%	5.9%
Barclays’ U.S High Yield (\$US)	8.2%	2.9%	4.2%	5.2%	6.4%

Rates of return are historical total returns that include changes in unit prices, and assume the reinvestment of all distributions. These annual compounded returns do not take into account any sales charges, redemption fees, other optional expenses or income taxes that you have to pay and that could reduce these returns. The returns are not guaranteed. The Fund’s past performance does not necessarily indicate future performance. The table is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the mutual funds or returns on the mutual funds. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing.

Factors Influencing the 2024 Results

The major advancers in 2024 were the fixed income holdings of Bausch Health Companies, 14.000%, October 15, 2030; Bausch Health Companies, 11.000%, September 30, 2028; Avation Capital SA, 8.250%, October 31, 2026 and the equity holding of EXCO Resources Inc.

The decliners in the year were the fixed income holdings of MBIA Global Funding LLC, Zero Coupon, due December 15, 2031 and B Riley Financial Inc., Preferred, 5.250%, due August 31, 2028.

The Canadian currency depreciated against the US dollar, which also positively affected the Fund.

During the year, the Fund sold of its holding in Lumen Technologies Inc. 4.000%, due February 15, 2027.

The Fund also reduced its holding in B Riley Financial Inc., Preferred, 5.250%, due August 31, 2028.

The Fund did not enter into any foreign currency contracts during the period, and had no covered call options in its portfolio as at December 31, 2024.

How did Chou Bond Fund perform versus its peers over the long term?

Over the years, I have been asked frequently whether value investing truly works over the long term. Prior to two years ago, that question was usually asked with great skepticism. In my mind, unequivocally, the answer is yes. It works because you are buying an asset for a far lower price than what it is worth. So, we asked Fundata to supply the data and found the results of Chou Bond Fund to be a huge surprise over the long term! Chou Bond Fund Series F is ranked 1st and Chou Bond Fund Series A is ranked 2nd versus 143 funds over the 15-year period.

Fund category and rank	Performance period (number of years)			
	3	5	10	15
Global fixed income, balanced:				
Chou Bond Fund (Series A), rank	2	2	2	2
Chou Bond Fund (Series F), rank	1	1	1	1
Number of funds in this category	872	766	388	143

Note: Chou Bond Fund does not have a 20-year performance history.
Source: All data courtesy of Fundata.

Portfolio Commentary

EXCO Resources Inc. (“EXCO”)

In early July 2019, the company emerged from bankruptcy and the 1.75 lien term loans were converted to 28.38 equity shares for every US\$1,000 in par value, after netting out certain adjustments. The equivalent price was US\$9.51 per share of EXCO.

Since it is a private company, I am not at liberty to divulge the latest financial statements, but what I can tell you is that my calculation of its PV-10 value was more than US\$1.9 billion (roughly US\$42 per share) based on the New York Mercantile Exchange (NYMEX) forward pricing as of June 30, 2024, and the net proved reserves were 2.9 trillion cubic feet equivalent. Its number of outstanding shares as of June 30, 2024 was 46,441,708. We estimate its EBITDA for the year ending 2025 will be between US\$200 million and US\$250 million. As a comparison, in 2018, the PV-10 value was US\$750 million.

As of December 31, 2024, the share of EXCO was valued at \$21.08 by Kroll, an independent third-party valuator.

Large Cash Position

Also, the Fund’s cash and cash equivalent position was approximately 66.8% of net assets as at December 31, 2024. This large cash position may depress returns for a while as we hunt for undervalued securities. Obviously, if there is a severe correction in the market in the near future, it will cushion the Fund against losses while providing us with the wherewithal to find good investment opportunities. But for now, it could be a drag on returns. If we cannot find any bargains, the large cash position may stay for a long time.

Caution to the Investors

Investors should be advised that we run a highly focused portfolio, frequently just three to five securities may comprise close to 50% of the assets of the Fund. In addition, the Fund has securities that are non-U.S. and could be subjected to geopolitical risks, which may trump or at least negatively influence the financial performance of the company. Also, we may enter into some derivative contracts, such as credit default swaps when we feel that the market conditions are right to use those instruments. Because of any or all of these factors, the net asset value of the Fund can be from time to time more volatile than at other times.

However, we are not bothered by this volatility because our focus has always been, and continues to be, on how inexpensive we believe the Fund's portfolio holdings are relative to what we believe to be their intrinsic value.

Other Matters

FOREIGN CURRENCY CONTRACTS: None existed at December 31, 2024.

CREDIT DEFAULT SWAPS: None existed at December 31, 2024.

U.S. DOLLAR VALUATION: Any investor who wishes to purchase the Chou Funds in U.S. dollars may do so.

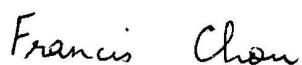
REDEMPTION FEE: We have a redemption fee of 2% if unitholders redeem their units in less than 3 months. None of this fee goes to the Fund Manager. It is put back into the Fund for the benefit of the remaining unitholders.

INDEPENDENT REVIEW COMMITTEE: The Manager has established an IRC as required by NI 81-107. The members of the IRC are Sanford Borins, Peter Gregoire and Joe Tortolano. The 2024 IRC Annual Report is available on our website www.choufunds.com.

As of March 14, 2025, the NAVPU of a Series A unit of the Fund was \$9.92 and the cash and cash equivalent position was approximately 51.7% of net assets. The Fund is up 1.0% from the beginning of the year. In U.S. dollars, it is down 1.1%.

Except for the performance numbers of the Chou Bond Fund, this letter contains estimates and opinions of the Fund Manager and is not intended to be a forecast of future events, a guarantee of future returns or investment advice. Any recommendations contained or implied herein may not be suitable for all investors.

Yours truly,



Francis Chou
Fund Manager

CHOU BOND FUND

Statements of Financial Position

Years ended December 31, 2024 and 2023

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 10,152,289	\$ 819,383
Investments (note 8)	5,054,454	9,670,952
Receivable for redeemable units subscribed	11,882	882
Interest receivable	55,214	143,793
Total assets	15,273,839	10,635,010
Liabilities		
Current liabilities:		
Accrued expenses	53,869	52,606
Payable for units redeemed	1,690	19,611
Distributions payable	18,943	-
Total liabilities	74,502	72,217
Net assets attributable to unitholders of redeemable units	\$ 15,199,337	\$ 10,562,793
Net assets attributable to unitholders of redeemable units:		
Series A	\$ 4,989,072	\$ 4,897,057
Series F	10,210,265	5,665,736
	\$ 15,199,337	\$ 10,562,793
Number of redeemable units outstanding (note 4):		
Series A	507,644	565,642
Series F	1,020,102	640,839
Net assets attributable to unitholders of redeemable units per unit :		
Canadian dollars:		
Series A	\$ 9.83	\$ 8.66
Series F	10.01	8.84
U.S. dollars:		
Series A	6.84	6.53
Series F	6.96	6.67

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

Approved on behalf of the Board of Directors of Chou Associates Management Inc.:

Francis Chou



CHOU BOND FUND

Statements of Comprehensive Income (Loss)

Years ended December 31, 2024 and 2023

	2024	2023
Income:		
Interest for distribution purposes and other	\$ 773,958	\$ 721,713
Dividends	58,716	56,565
Securities lending income (Note 7)	12,062	3,787
Foreign currency gain (loss) on cash and cash equivalents and other net assets	53,832	(102,687)
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:		
Net realized gain on disposal of investments	252,368	-
Change in unrealized appreciation (depreciation) on investments	1,163,361	(681,944)
	2,314,297	(2,566)
Expenses:		
Management fees (note 5(a))	147,267	137,071
Custodial fees	25,309	25,240
Audit (note 10)	15,101	15,060
Filing fees	9,072	2,132
Independent review committee fees	2,564	3,616
FundSERV fees	3,294	3,285
Legal fees	-	405
Other expenses	359	393
	202,966	187,202
Increase (decrease) in net assets attributable to unitholders of redeemable units	\$ 2,111,331	\$ (189,768)
Increase (decrease) in net assets attributable to unitholders of redeemable units per series:		
Series A	\$ 792,193	\$ (94,603)
Series F	1,319,138	(95,165)
	\$ 2,111,331	\$ (189,768)
Average number of redeemable units outstanding for the year per the series:		
Series A	509,444	566,807
Series F	774,742	619,083
Increase (decrease) in net assets attributable to unitholders of redeemable units per unit:		
Series A	\$ 1.56	\$ (0.17)
Series F	1.70	(0.15)

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

CHOU BOND FUND

Statements of Changes in Net Assets Attributable to Unitholders of Redeemable Units

Years ended December 31, 2024 and 2023

	2024	2023
Series A		
Net assets attributable to unitholders of redeemable units, beginning of year	\$ 4,897,056	\$ 5,648,071
Increase (decrease) in net assets attributable to unitholders of redeemable units	792,193	(94,603)
Proceeds from issue of redeemable units	500,481	204,639
Payments on redemption of redeemable units	(1,197,832)	(852,671)
Distribution of income to unitholders:		
Investment income	(196,692)	(267,283)
Reinvested distributions	193,866	258,904
Net assets attributable to unitholders of redeemable units, end of year	\$ 4,989,072	\$ 4,897,057
Series F		
Net assets attributable to unitholders of redeemable units, beginning of year	\$ 5,665,738	\$ 5,543,779
Increase (decrease) in net assets attributable to unitholders of redeemable units	1,319,138	(95,165)
Proceeds from issue of redeemable units	4,838,693	1,445,298
Payments on redemption of redeemable units	(1,597,186)	(1,208,784)
Distribution of income to unitholders:		
Investment income	(444,711)	(317,807)
Reinvested distributions	428,593	298,415
Net assets attributable to unitholders of redeemable units, end of year	\$ 10,210,265	\$ 5,665,736
Total net assets attributable to unitholders of redeemable units, end of year	\$ 15,199,337	\$ 10,562,793

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

CHOU BOND FUND

Statements of Cash Flows

Years ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Increase (decrease) in net assets attributable to unitholders of redeemable units	\$ 2,111,331	\$ (189,768)
Adjustments for:		
Foreign currency (gain) loss on cash and cash equivalents and other net assets	(53,832)	102,687
Net realized gain on disposal of investments	(252,368)	-
Change in unrealized (appreciation) depreciation on investments	(1,163,361)	681,944
Interest accretion on bond	(162,622)	(159,732)
Purchase of investments	-	(7,104,721)
Proceeds from sales of investments	6,194,849	-
Change in non-cash operating working capital:		
Decrease (increase) in interest receivable	88,579	(103,612)
Increase in accrued expenses	1,263	14,794
Net cash generated from (used in) operating activities	6,763,839	(6,758,408)
Cash flows from financing activities:		
Distributions paid to unitholders	-	(27,772)
Proceeds from redeemable units issued	5,328,174	1,660,338
Amount paid on redemption of redeemable units	(2,812,939)	(2,041,844)
Net cash generated from (used in) financing activities	2,515,235	(409,278)
Foreign currency gain (loss) on cash and cash equivalents and other net assets	53,832	(102,687)
Increase (decrease) in cash and cash equivalents	9,332,906	(7,270,373)
Cash and cash equivalents, beginning of year	819,383	8,089,756
Cash and cash equivalents, end of year	\$ 10,152,289	\$ 819,383
Supplemental information:		
Interest received, net of withholding tax	\$ 862,537	\$ 618,101
Dividends received, net of withholding taxes	58,716	56,565
Security lending income received	12,062	3,787

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

CHOU BOND FUND

Schedule of Investments

December 31, 2024

	Number of shares	Cost	Fair value
Equities*			
B Riley Financial Inc, Preferred	3,415	\$ 82,088	\$ 40,449
EXCO Resources Inc.**	20,046	693,989	607,423
Total equities		776,077	647,872
Bonds			
1375209 BC Limited, 9.00%, January 30, 2028, Callable	183,000	348,350	263,760
Avation Capital SA, 8.250%, October 31, 2026, Callable	778,477	832,097	1,100,183
Bausch Health Companies Inc., 11.000%, September 30, 2028	326,000	508,751	445,727
Bausch Health Companies Inc., 14.000%, October 15, 2030, Callable	65,000	73,373	87,148
Fortress Global Enterprises Inc., 9.750%, December 31, 2025, Convertible Bonds, Callable	3,659,000	2,058,513	366
MBIA Global Funding LLC, Zero Coupon, December 15, 2031	1,800,000	1,340,311	1,073,775
World Acceptance Corporation, 7.000%, November 1, 2026	1,000,000	1,061,998	1,435,623
Total bonds		6,223,393	4,406,582
Total investments		6,999,470	5,054,454
Transaction costs		-	-
Portfolio total		\$ 6,999,470	\$ 5,054,454

* Common shares unless indicated otherwise

**Shares received from debt restructuring

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

CHOU BOND FUND

Discussion of Financial Risk Management

Years ended December 31, 2024 and 2023

Investment objective and strategies:

Chou Bond Fund's objective is to invest in securities that it believes are undervalued in order to achieve capital appreciation over the long-term. Conservation of principal and interest production will be fundamental considerations in this objective. The Fund invests primarily in Canadian and U.S. bonds. These bonds include, but are not limited to, Government of Canada, provincial, municipal and corporate issues, including convertibles and high yield bonds. Investments may be made in bonds outside of Canada and the U.S. The Fund may also use derivatives such as, but not limited to, futures, options, swaps and forward contracts to gain exposure to securities and asset classes consistent with the objectives of the Fund, and to hedge portfolio exposure against losses from foreign currency and domestic currency exposure and changes in securities prices.

The Fund will generally be fully invested. A combination of investment strategies will be utilized in managing the portfolio including relative value trades, yield enhancement strategies and interest rate anticipation traces. Investments made by the Fund are not guaranteed. Fixed income securities issued by governments may decrease in value as a result of changes in interest rates. Fixed income securities issued by corporations may decrease in value due to general market conditions or credit risks associated with the issuer.

Financial risk management:

The Fund's investment activities expose it to various types of risk associated with the financial instruments and markets in which it invests. The Fund's risk management goals are to ensure that the outcome of activities involving risk is consistent with the Fund's objectives and risk tolerance.

(a) Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge a commitment that it has entered into with the Fund. As at December 31, 2024, the Fund invested 20.19% of its net assets in non-investment grade debt instruments (2023 – 34.99%). Non-investment grade is the term applied to bonds rated below Baa3 on the Moody's credit rating scale and below BBB- on the equivalent ratings systems from Standard & Poor's and Fitch. The credit ratings could denote that the Company's financial position is weak and its bonds should be considered a speculative investment. As at December 31, 2024, the Fund invested approximately 8.80% (2023 – 11.84%) of its net assets in non-rated bonds.

(b) Interest rate risk:

Interest rate risk arises from the effect of changes in interest rates on future cash flows or the current value of financial instruments. The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity:

Debt instruments by maturity date:

	2024	2023
Less than 1 year	\$ 366	\$ -
1 - 3 years	2,535,806	6,043,491
3 - 5 years	709,487	1,408,133
Greater than 5 years	1,160,923	1,061,399

CHOU BOND FUND

Discussion of Financial Risk Management

Years ended December 31, 2024 and 2023

Financial risk management (continued):

(b) Interest rate risk (continued):

As at December 31, 2024, had interest rates decreased or increased by 0.25%, with all other variables remaining constant, the increase or decrease in net assets for the year would have amounted to approximately \$59,920 (2023 - \$60,895).

In practice, the actual trading results may differ and the difference could be material.

(c) Other price risk:

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Approximately 0.27% (2023 – 6.72%) of the Fund's net assets held at December 31, 2024 were publicly traded equities. If equity prices on the exchange had increased or decreased by 5.00% as at December 31, 2024, the net assets of the Fund would have increased or decreased by \$2,022 or 0.01% (2023 - \$35,511 or 0.34%) of the net assets, all other factors remaining constant.

In practice, the actual trading results may differ and the difference could be material.

(d) Foreign currency risk:

Currencies to which the Fund had exposure as at December 31, 2024 and 2023 expressed in CAD are as follows:

2024	Investments	Cash and cash equivalents	Other assets and liabilities	Total	Percentage of net asset value
United States dollar (USD)	\$ 5,054,088	\$ 8,344,361	\$ 54,084	\$ 13,452,533	88.5%

2023	Investments	Cash and cash equivalents	Other assets and liabilities	Total	Percentage of net asset value
United States dollar (USD)	\$ 9,670,586	\$ 623,587	\$ 143,655	\$ 10,437,828	98.8%

The amounts in the above tables are based on the market value of the Fund's financial instruments. This includes cash and cash equivalents, investments, interest receivable, receivable for units subscribed and payable for units redeemed that are denominated in foreign currencies.

As at December 31, 2024, if the Canadian dollar had strengthened or weakened by 1.00% in relation to all currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$134,525 (2023 - \$104,378).

In practice, the actual trading results may differ and the difference could be material.

CHOU RRSP FUND

(unaudited)

March 14, 2025

Dear Unitholders of Chou RRSP Fund,

After the distribution of \$0.32, the net asset value per unit (“NAVPU”) of a Series A unit of Chou RRSP Fund at December 31, 2024 was \$34.85 compared to \$35.66 at December 31, 2023, a decrease of 1.4%; during the same period, the S&P/TSX Total Return Index increased by 21.7% in Canadian dollars. In U.S. dollars, a Series A unit of Chou RRSP Fund was down 9.1% while the S&P/TSX Total Return Index increased by 11.7%.

The table shows our one-year, three-year, five-year, 10-year, 15-year and 20-year annual compound rates of return.

December 31, 2024 (Series A)	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Chou RRSP Fund (\$CAN)	-1.4%	-4.0%	9.4%	2.1%	6.7%	4.1%
S&P/TSX (\$CAN)	21.7%	8.6%	11.1%	8.7%	8.3%	8.1%
Chou RRSP Fund (\$US)	-9.1%	-8.0%	7.2%	-0.1%	4.5%	3.2%
S&P/TSX (\$US)	11.7%	4.1%	8.8%	6.4%	6.1%	7.2%

Rates of return are historical total returns that include changes in unit prices, and assume the reinvestment of all distributions. These annual compounded returns do not take into account any sales charges, redemption fees, other optional expenses or income taxes that you have to pay and that could reduce these returns. The returns are not guaranteed. The Fund’s past performance does not necessarily indicate future performance. The table is used only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the mutual funds or returns on the mutual funds. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing.

Factors Influencing the 2024 Results

The major advancers in 2024 were the equity holdings of Onex Corp., Methanex Corporation and Exco Resources Inc.

The largest decliners in the period were the equity holdings of Parex Resources Inc., Canfor Pulp Products Inc., Magna International Inc. and Interfor Corporation.

During the year, the Fund eliminated the common equity holdings of Bausch Health Companies Inc., CI Financial Corporation, BlackBerry Limited and the warrant of Hertz Global Holdings Inc.

The Fund initiated investments in the common equity holdings of Morguard Corporation, Trican Well Service Ltd. and Imperial Oil Limited in 2024.

The Fund had no covered call options in its portfolio as at December 31, 2024.

Stock strategies for minimizing capital gains taxes —and maximizing returns

When the Liberal government announced in June 2024 that it would raise the capital gains inclusion rate (the amount of capital gains subject to tax) to 66%, it brought back memories of 45 years ago. In 1979, a period when capital gains taxes were high in both the United States and Canada, I was learning about value investing.

Table 1: Capital gains tax rates for select years from 1975 to 2024

Year(s)	Capital gains tax rate		
	United States		Canada
	Individual (%)	Corporate (%)	Individual (%) (top marginal rate)
2024	20	21	36*
2018–2023	20	21	27
2016–2017	20	35	27
2013–2015	20	35	25
1993–1997	28	35	35
1990–1992	28**	34	35
1988–1989	28**	34	31
1987	28**	34	26
1979	35	30	31
1978	33.8	30	31
1975–1977	35	30	31

* Proposed.

** Assumes 10-year holding period; 30% of capital gain recognized.

Sources: Wolters Kluwer CCH, World Tax Database, OECD Tax Database, Tax Foundation.

What impressed me most was that your after-tax return would be substantially different if you bought a stock and sold it within one year versus if you held it for 40 years and then sold it. The longer you kept the stock, the greater the benefit.

Impact on after-tax returns when selling annually versus holding for 40 years

Let's look at two examples.

Investor A buys \$1 million in stock, holds it for 40 years, and sells it at the end of year 40.

Table 2: Investor A (buy and hold) — after-tax return at the end of the 40-year period

		Capital gains tax rate							
		35%		30%		25%		20%	
		AFTER-TAX RETURN							
		Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)
PRE-TAX RETURN	8%	6.9	14.5	7.1	15.5	7.3	16.5	7.4	17.6
	10%	8.9	29.8	9.0	32.0	9.2	34.2	9.4	36.4
	12%	10.8	60.8	11.0	65.4	11.2	70.0	11.4	74.6
	15%	13.8	174.5	14.0	187.8	14.2	201.1	14.4	214.5
	20%	18.7	955.7	18.9	1,029.1	19.1	1,102.6	19.3	1,176.0

Investor B buys \$1 million in stock, sells it at the end of every year, and rebuys the stock at the beginning of the next year.

Table 3: Investor B (buy and sell annually) — after-tax return at the end of the 40-year period

		Capital gains tax rate							
		35%		30%		25%		20%	
		AFTER-TAX RETURN							
		Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)
PRE-TAX RETURN	8%	5.2	7.6	5.6	8.8	6.0	10.3	6.4	12.0
	10%	6.5	12.4	7.0	15.0	7.5	18.0	8.0	21.7
	12%	7.8	20.2	8.4	25.2	9.0	31.4	9.6	39.1
	15%	9.8	41.3	10.5	54.3	11.3	71.1	12.0	93.1
	20%	13.0	132.8	14.0	188.9	15.0	267.9	16.0	378.7

Let's say your pre-tax return is 20% each year for 40 years. If you sell it at the end of one year, your annualized after-tax return is 13.0%, assuming the capital gains tax rate is 35% for those 40 years (Table 3). However, if you had held the stock and sold at the end of the 40 years, your after-tax return would be 18.7% (Table 2). If you don't believe me, do the math yourself.

What are the implications? At a pre-tax rate of return of 20% and a tax rate of 35%, \$1 million would grow to \$132.8 million, a handsome return, but it is totally dwarfed by the \$955.7 million (almost \$1 billion!) you would have earned if you had bought and held the stock and sold it only in the 40th year.

A 20% annual rate of return over 40 years is rare, but the magical effect is still quite substantial even if you take a 12% annual rate of return and a 35% tax rate: \$1 million would net you \$20.2 million after tax if you realize gains yearly, versus \$60.8 million after tax if you sell it in the 40th year.

Impact on after-tax returns when selling after three, five, and 10 years

Most value investors hold their stocks for between three and five years. We prepared the tables for three, five and 10 years so readers can see what impact it has on after-tax returns for different rates of return. There is a marginal benefit holding it for three years, but the benefits become meaningful when you hold it for 10 years or longer.

Table 4: Realizing gains every 3 years

		Capital gains tax rate							
		35%		30%		25%		20%	
		AFTER-TAX RETURN							
		Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)
PRE-TAX RETURN	8%	5.3	8.0	5.7	9.3	6.1	10.7	6.5	12.4
	10%	6.7	13.4	7.2	16.1	7.7	19.2	8.1	22.9
	12%	8.1	22.5	8.7	27.9	9.2	34.3	9.8	42.2
	15%	10.2	48.8	10.9	63.1	11.6	81.2	12.3	104.0
	20%	13.8	175.2	14.7	242.6	15.6	333.3	16.5	454.5

Table 5: Realizing gains every 5 years

		Capital gains tax rate							
		35%		30%		25%		20%	
		AFTER-TAX RETURN							
PRE-TAX RETURN		Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)
	8%	5.5	8.4	5.8	9.7	6.2	11.2	6.6	12.8
	10%	6.9	14.5	7.4	17.2	7.8	20.4	8.3	24.1
	12%	8.4	25.0	8.9	30.6	9.5	37.2	10.0	45.1
	15%	10.6	56.9	11.3	72.4	12.0	91.4	12.6	114.7
	20%	14.5	224.5	15.3	302.1	16.2	402.3	17.0	530.4

Table 6: Realizing gains every 10 years

		Capital gains tax rate							
		35%		30%		25%		20%	
		AFTER-TAX RETURN							
PRE-TAX RETURN		Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)	Annualized (%)	Total (\$millions)
	8%	5.8	9.4	6.1	10.8	6.5	12.2	6.8	13.8
	10%	7.4	17.2	7.8	20.0	8.2	23.2	8.6	26.8
	12%	9.0	31.5	9.5	37.5	9.9	44.3	10.4	51.9
	15%	11.5	78.8	12.1	96.2	12.6	116.3	13.1	139.5
	20%	15.9	366.2	16.6	461.2	17.2	573.6	17.8	705.3

From the tables, you can see that for the same pre-tax rate of return, there are substantial differences in the after-tax return if you hold for the long term versus selling in a year. This raises several interesting points:

1. It is a perfect tax shelter. Instead of the tax rate being 35%, the effective tax rate is 6.4%. This is because your annual rate of return after tax is 18.7% on a 20% pre-tax rate of return if you sell it only in the 40th year. Therefore, your effective tax rate is 6.4% and will decrease as you hold it longer. This feels like an almost tax-free rate of return.
2. It boosts your effective rate of return. To generate an 18.7% after-tax return, if you sell the stock yearly, you would need a pre-tax compound rate of return of 28.8% — an almost impossible rate of return to sustain over 40 years.
3. It's important to choose investments wisely. If you know how beneficial it is to hold a stock for 40 years, what type of companies would you invest in? I was aware of this formula 45 years ago. I favoured companies with a relatively young founder or CEO who was a great capital allocator and could compound the intrinsic value at 12% or better over long periods. Even if the stock is overvalued during some of those 40 years, it is better not to sell when the capital gains tax rate is high. This is one of the keys to building significant wealth.

One perplexing problem occurs if you buy and hold a stock that has compounded at 20% over 40 years but whose intrinsic value is now growing at 8% annually for the foreseeable future. Would you sell the stock? Consider the ramifications. When you sell it, you start 35% lower because you must pay taxes. Also, keep in mind that to generate an after-tax return of 8%, you would need to generate an annual return of 12.3%. The tables above highlight just some of the differences in returns between the two approaches. I could have presented many more interesting scenarios, but I did not want to inundate my readers with too many tables!

DOES VALUE-INVESTING WORK OVER THE LONG TERM?

Over the years, I have been asked frequently whether value investing truly works over the long term. Prior to two years ago, that question was usually asked with great skepticism. In my mind, unequivocally, the answer is yes. It works because you are buying an asset for a far lower price than what it is worth.

This strong performance is despite the fact that the results include the 2015 to 2020 period—a hellish time for value investing. In fact, the impact was so great, it even affected the 10-year and 15-year results.

Fundata fund rankings by category (as of December 31, 2024)

Fund category and rank	Performance period (number of years)							
	3	5	10	15	20	25	30	35
Canadian-focused small- and mid-cap equity:								
Chou RRSP Fund (Series A), rank	48	21	31	19	2	1	1	1
Chou RRSP Fund (Series F), rank	47	14	30	16	1	N/A	N/A	N/A
Number of funds in this category	48	48	31	20	< 10	< 10	< 10	< 10

Source: All data courtesy of Fundata.

Portfolio Commentary

The Common Theme In New Purchases

We purchased shares in several new companies. They are half-decent companies that generate tons of free cash flow, sell at a low multiple of earnings, and have management that we can trust to make operating and capital allocation decisions wisely. But if there is a common theme in the new purchases, it is that they have been big buyers of their own stock over the last few years. We also believe that if their shares fall further, they will repurchase them in significant quantities in the market. What this entails is that their intrinsic value will increase on a per-share basis. That is music to my ears.

However, there is one caveat regarding companies buying back their shares. They should not be in a declining industry where new technology or processes will make their products less valuable. And as a corollary, the company should not buy back shares if it is a piece of CRAP (Cannot Realize A Profit). In this case, the remaining loyal shareholders are getting a larger piece of a crappy company.

EXCO Resources Inc. (“EXCO”)

In early July 2019, the company emerged from bankruptcy and the 1.75 lien term loans were converted to 28.38 equity shares for every US\$1,000 in par value, after netting out certain adjustments. The equivalent price was US\$9.51 per share of EXCO.

Since it is a private company, I am not at liberty to divulge the latest financial statements, but what I can tell you is that my calculation of its PV-10 value was more than US\$1.9 billion (roughly US\$42 per share) based on the New York Mercantile Exchange (NYMEX) forward pricing as of June 30, 2024, and the net proved reserves were 2.9 trillion cubic feet equivalent. Its number of outstanding shares as of June 30, 2024 was 46,441,708. We estimate its EBITDA for the year ending 2025 will be between US\$200 million and US\$250 million. As a comparison, in 2018, the PV-10 value was US\$750 million.

As of December 31, 2024, the share of EXCO was valued at \$21.08 by Kroll, an independent third-party valuator.

Caution to the Investors

Investors should be advised that we run a highly focused portfolio, frequently just three to five securities may comprise close to 50% of the assets of the Fund. In addition, the Fund has securities outside of Canada and could be subjected to geopolitical risks, which may trump or at least negatively influence the financial performance of the company. Also, we may enter into some derivative contracts, such as credit default swaps when we feel that the market conditions are right to use those instruments. Because of any or all of these factors, the net asset value of the Fund can be from time to time more volatile than at other times. However, we are not bothered by this volatility because our focus has always been, and continues to be, on how inexpensive we believe the Fund's portfolio holdings are relative to what we believe to be their intrinsic value. Also, the Fund's net cash and cash equivalent position was approximately 42.0% of net assets as at December 31, 2024.

Other Matters

FOREIGN CURRENCY CONTRACTS: None existed at December 31, 2024.

CREDIT DEFAULT SWAPS: None existed at December 31, 2024.

U.S. DOLLAR VALUATION: Any investor who wishes to purchase the Chou Funds in U.S. dollars may do so.

REDEMPTION FEE: We have a redemption fee of 2% if unitholders redeem their units in less than 3 months. None of this fee goes to the Fund Manager. It is put back into the Fund for the benefit of the remaining unitholders.

INDEPENDENT REVIEW COMMITTEE: The Manager has established an IRC as required by NI 81-107. The members of the IRC are Sandford Borins, Peter Gregoire and Joe Tortolano. The 2024 IRC Annual Report is available on our website www.choufunds.com.

As of March 14, 2025, the NAVPU of a Series A unit of the Fund was \$34.84 and the cash and cash equivalent position was approximately 34.7% of net assets. The Fund breaks even from the beginning of the year. In U.S. dollars, it also breaks even.

Except for the performance numbers of the Chou RRSP Fund, this letter contains estimates and opinions of the Fund Manager and is not intended to be a forecast of future events, a guarantee of future returns or investment advice. Any recommendations contained or implied herein may not be suitable for all investors.

Yours truly,



Francis Chou
Fund Manager

CHOU RRSP FUND

Statements of Financial Position

December 31, 2024 and 2023

	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 12,517,501	\$ 14,462,317
Investments (note 8)	17,308,978	18,935,765
Derivatives (note 8)	-	1,022,699
Interest receivable	522	16,744
Dividends receivable	3,000	5,740
Total assets	29,830,001	34,443,265
Liabilities		
Current liabilities:		
Accrued expenses	40,595	55,633
Payables for units redeemed	11,764	-
Distributions payable	16,306	-
Total liabilities	68,665	55,633
Net assets attributable to unitholders of redeemable units	\$ 29,761,336	\$ 34,387,632
Net assets attributable to unitholders of redeemable units:		
Series A	\$ 16,149,975	\$ 18,173,036
Series F	13,611,361	16,214,596
	\$ 29,761,336	\$ 34,387,632
Number of redeemable units outstanding (note 4):		
Series A	463,374	509,615
Series F	386,268	449,653
Net assets attributable to unitholders of redeemable units per unit:		
Canadian dollars:		
Series A	\$ 34.85	\$ 35.66
Series F	35.24	36.06
U.S. dollars:		
Series A	24.24	26.91
Series F	24.52	27.21

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

Approved on behalf of the Board of Directors of Chou Associates Management Inc.:

Francis Chou



CHOU RRSP FUND

Statements of Comprehensive Income (Loss)

Years ended December 31, 2024 and 2023

	2024	2023
Income:		
Interest for distribution purposes and other	\$ 612,380	\$ 563,160
Dividends	257,382	222,335
Securities lending income (note 7)	1,145	6,288
Foreign currency gain (loss) on cash and cash equivalents and other net assets	402,236	(283,891)
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:		
Net realized (loss) gain on disposal of investments	(5,939,895)	914,842
Net realized loss on disposal of derivatives	(1,197,088)	-
Change in unrealized appreciation (depreciation) on investments	5,472,689	(700,183)
Change in unrealized appreciation (depreciation) on derivatives	640,436	(398,979)
	249,285	323,572
Expenses:		
Management fees (note 5(a))	461,742	543,125
Custodial fees	86,206	78,740
Audit fees (note 10)	31,660	32,424
Filing fees	26,061	7,279
Independent review committee fees	5,697	12,715
FundSERV fees	7,569	6,122
Legal fees	2,441	2,476
Transaction costs (note 6)	21,336	2,858
Other	1,088	1,342
	643,800	687,081
Decrease in net assets attributable to unitholders of redeemable units	\$ (394,515)	\$ (363,509)
Decrease in net assets attributable to unitholders of redeemable units per series:		
Series A	\$ (257,268)	\$ (221,962)
Series F	(137,247)	(141,547)
	\$ (394,515)	\$ (363,509)
Average number of redeemable units outstanding for the year per series:		
Series A	489,417	533,035
Series F	409,387	461,443
Decrease in net assets attributable to unitholders of redeemable units per unit:		
Series A	\$ (0.53)	\$ (0.42)
Series F	(0.33)	(0.31)

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

CHOU RRSP FUND

Statements of Changes in Net Assets Attributable to Unitholders of Redeemable Units

Years ended December 31, 2024 and 2023

	2024	2023
Series A		
Net assets attributable to unitholders of redeemable units, beginning of year	\$ 18,173,036	\$ 20,165,056
Decrease in net assets attributable to unitholders of redeemable units	(257,268)	(221,962)
Proceeds from issue of redeemable units	231,548	63,049
Payments on redemption of redeemable units	(1,996,739)	(1,833,107)
Distributions of income to unitholders:		
Investment income	(147,340)	-
Reinvested distributions	146,738	-
Net assets attributable to unitholders of redeemable units, end of year	16,149,975	18,173,036
Series F		
Net assets attributable to unitholders of redeemable units, beginning of year	16,214,596	17,126,461
Decrease in net assets attributable to unitholders of redeemable units	(137,247)	(141,547)
Proceeds from issue of redeemable units	391,045	650,931
Payments on redemption of redeemable units	(2,841,330)	(1,414,689)
Distributions of income to unitholders:		
Investment income	(202,886)	(86,163)
Reinvested distributions	187,183	79,603
Net assets attributable to unitholders of redeemable units, end of year	13,611,361	16,214,596
Total net assets attributable to unitholders of redeemable units, end of year	\$ 29,761,336	\$ 34,387,632

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

CHOU RRSP FUND

Statements of Cash Flows

Years ended December 31, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Decrease in net assets attributable to unitholders of redeemable units	\$ (394,515)	\$ (363,509)
Adjustments for:		
Foreign currency (gain) loss on cash and cash equivalents and other net assets	(402,236)	283,891
Net realized loss (gain) on disposal of investments and derivatives	7,136,983	(914,842)
Change in unrealized (appreciation) depreciation on investments and derivatives	(6,113,125)	1,099,162
Purchase of investments and derivatives	(2,807,287)	(1,705,883)
Proceeds from sale and maturity of investments and derivatives	4,432,916	3,956,623
Change in non-cash operating working capital:		
Decrease in interest receivable	16,222	1,613
Decrease (increase) in dividends receivable	2,740	(574)
(Decrease) increase in accrued expenses	(15,038)	7,278
Net cash generated from operating activities	1,856,659	2,363,759
Cash flows from financing activities:		
Distributions paid to unitholders	-	(6,560)
Proceeds from redeemable units issued	622,593	713,980
Amount paid on redemption of redeemable units	(4,826,305)	(3,247,796)
Net cash used in financing activities	(4,203,711)	(2,540,376)
Foreign currency gain (loss) on cash and cash equivalents and other net assets	402,236	(283,891)
Decrease in cash and cash equivalents	(1,944,816)	(460,508)
Cash and cash equivalents, beginning of year	14,462,317	14,922,825
Cash and cash equivalents, end of year	\$ 12,517,501	\$ 14,462,317
Supplemental information:		
Interest received, net of withholding tax	\$ 628,602	\$ 564,773
Dividends received, net of withholding tax	260,122	221,761
Security lending income received	1,145	6,288

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

CHOU RRSP FUND

Schedule of Investments

December 31, 2024

	Number of securities	Cost	Fair value
Equities*			
Canfor Pulp Products Inc.	142,400	\$ 405,214	\$ 108,224
EXCO Resources Inc.	114,371	2,373,080	3,465,607
Imperial Oil Limited	5,000	375,340	442,950
Interfor Corporation	83,000	711,878	1,393,570
Linamar Corporation	24,000	1,332,040	1,362,960
Magna International Inc., Class 'A'	10,000	624,709	600,710
Methanex Corporation	4,000	198,000	287,320
Morguard Corporation	5,800	649,403	674,656
Onex Corporation	13,900	925,774	1,560,692
Parex Resources Inc.	60,000	1,116,400	874,800
Reitmans (Canada) Limited	526,100	1,993,539	1,320,511
Reitmans (Canada) Limited, Class 'A'	429,100	1,083,106	1,051,295
Trican Well Services Limited	100,000	403,650	513,000
TVA Group Inc.	27,328	395,130	28,148
TWC Enterprises Limited	202,539	1,168,826	3,624,435
		13,756,089	17,308,878
Bonds			
Fortress Global Enterprises Inc., 9.750%, December 31, 2025, Convertible Bonds, Callable	1,000,000	780,000	100
Total investments		14,536,089	17,308,978
Transaction costs		(76,447)	-
Portfolio total		\$ 14,459,642	\$ 17,308,978

* Common shares unless indicated otherwise

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

CHOU RRSP FUND

Discussion of Financial Risk Management

Years ended December 31, 2024 and 2023

Investment objective and strategies:

The Fund's objective is to provide long-term growth of capital by investing primarily in equity and debt instruments of Canadian businesses considered by the Manager to be undervalued. The Fund may also invest in equity and debt instruments of U.S. and foreign businesses. Investments may include common and preferred shares, convertible debentures, government and corporate bonds and short-term debt. The Fund may also use derivatives such as, but not limited to, futures, options, swaps and forward contracts to gain exposure to securities and asset classes consistent with the objectives of the Fund, and to hedge portfolio exposure against losses from foreign currency and domestic currency exposure and changes in securities prices.

The investment strategy follows strong disciplines with regard to price paid to acquire portfolio investments. The level of investments in the Fund's securities is generally commensurate with the current price of the Fund's securities in relation to its intrinsic value. That approach is designed to provide an extra margin of safety, which in turn serves to reduce overall portfolio risk.

Financial risk management:

The Fund's investment activities expose it to various types of risk associated with the financial instruments and markets in which it invests. The Fund's risk management goals are to ensure that the outcome of activities involving risk is consistent with the Fund's objectives and risk tolerance.

(a) Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge a commitment that it has entered into with the Fund. As at December 31, 2024, the Fund did not invest any of its net assets in non-investment grade debt instruments (2023 - 0.0%). Non-investment grade is the term applied to bonds rated below Baa3 on the Moody's credit rating scale and below BBB- on the equivalent ratings systems from Standard & Poor's and Fitch. These credit ratings could denote that the company's financial position is weak and its bonds should be considered a speculative investment. As at December 31, 2024, the Fund did not invest any of its net assets in non-rated debt instruments (2023 - 0.00%).

(b) Interest rate risk:

Interest rate risk arises from the effect of changes in interest rates on future cash flows or the current value of financial instruments. The table below summarizes the Fund's exposure to interest rate risk by remaining term to maturity:

Debt instruments by maturity date:

	2024		2023	
Less than 1 year	\$	100	\$	100
1 - 3 years		-		-
3 - 5 years		-		-
Greater than 5 years		-		-

As at December 31, 2024, had interest rates decreased or increased by 0.25%, with all other variables remaining constant, the increase or decrease in net assets for the year would have amounted to approximately \$nil (2023 - \$nil).

In practice, the actual trading results may differ and the difference could be material.

CHOU RRSP FUND

Discussion of Financial Risk Management (continued)

Years ended December 31, 2024 and 2023

Financial risk management (continued):

(c) Other price risk:

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Approximately 46.51% (2023 - 50.61%) of the Fund's net assets held at December 31, 2024 were publicly traded equities and derivative investments. If equity and derivative prices on the exchange had increased or decreased by 5.00% as at December 31, 2024, the net assets of the Fund would have increased or decreased by approximately \$692,164 or 2.33% (2023 - \$870,202 or 2.53%) of the net assets, all other factors remaining constant.

In practice, the actual trading results may differ and the difference could be material.

(d) Foreign currency risk:

Currencies to which the Fund had exposure as at December 31, 2024 and 2023 expressed in CAD are as follows:

2024	Investments and derivatives	Cash and cash equivalents	Other assets and liabilities	Total	Percentage of net asset value
United States dollar (USD)	\$ 4,066,317	\$ 11,692,799	\$ 6	\$ 15,759,122	53.0%

2023	Investments and derivatives	Cash and cash equivalents	Other assets and liabilities	Total	Percentage of net asset value
United States dollar (USD)	\$ 6,485,248	\$ 12,330,411	\$ 15,413	\$ 18,831,072	54.8%

The amounts in the above tables are based on the market value of the Fund's financial instruments. This includes cash and cash equivalents, investments, interest receivable, dividends receivable and derivatives that are denominated in foreign currencies.

As at December 31, 2024, if the Canadian dollar had strengthened or weakened by 1.00% in relation to all currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$157,591 (2023 - \$188,311).

In practice, the actual trading results may differ and the difference could be material.

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

1. Formation of the Chou Funds:

The individual funds comprising the family of Chou Funds (the "Chou Funds" or the "Funds") are open-ended investment mutual fund trusts formed pursuant to Declarations of Trust under the laws of the Province of Ontario. Chou Associates Management Inc. is the Manager and Trustee of the Chou Funds. The address of the Funds' registered office is: 110 Sheppard Avenue East, Suite 301, Box 18, Toronto, Ontario, M2N 6Y8.

The Funds were formed on the following dates:

Chou Associates Fund	September 1, 1986
Chou Asia Fund	August 26, 2003
Chou Europe Fund	August 26, 2003
Chou Bond Fund	August 10, 2005
Chou RRSP Fund	September 1, 1986

2. Material accounting policies:

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The policies applied in these financial statements are based on IFRS Accounting Standards issued and outstanding as of December 31, 2024. The financial statements are presented in Canadian dollars, which is also the Chou Funds' functional currency. These financial statements were authorized for issue by the Manager on March 28, 2025.

The following is a summary of material accounting policies used by the Funds:

(a) Financial instruments:

The Funds apply IFRS 9, *Financial Instruments* ("IFRS 9"). The standard requires financial assets to be classified at amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVOCI") based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of these assets. Assessment and decision on the business model approach used is an accounting judgement.

The Funds' investments and derivative assets and liabilities are classified and measured at FVTPL.

The classification and measurements of financial assets and liabilities are at amortized cost with the exception of financial assets and liabilities recorded at FVTPL. For financial liabilities, fair value changes attributable to changes in the entity's own credit risk are to be presented in other comprehensive income unless they affect amounts recorded in income. Under amortized cost, financial assets and liabilities reflect the amounts to be received or paid, discounted when appropriate at the financial instrument's effective interest rate. The fair value of the Funds' financial assets and liabilities that are not carried at FVTPL approximate their carrying amounts due to their short-term nature.

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

2. Material accounting policies (continued):

(b) Recognition, initial measurement and classification:

Financial assets and financial liabilities at FVTPL are initially recognized on the trade date, at fair value, with transaction costs recognized in profit or loss. Other financial assets and financial liabilities are recognized on the date on which they are originated at fair value.

The Funds classify financial assets and financial liabilities into the following categories:

Financial assets at FVTPL:

- Derivatives: warrants and options; and
- Investments: debt securities and equity investments.

Financial liabilities at FVTPL:

- Derivatives: securities sold short, warrants, and options.

Note that as of, and for the years ended, December 31, 2024 and December 31, 2023, the Funds did not hold any financial liabilities at FVTPL.

All other financial assets and financial liabilities are classified and measured at amortized cost. The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment. The Funds' obligations for net assets attributable to unitholders is measured at FVTPL, with fair value being the redemption amount as of the reporting dates.

(c) Fair value measurement:

When available, the Funds measure the fair value of a financial instrument using the quoted price in an active market for that instrument. The Funds measure instruments quoted in an active market at the last traded market price.

Bonds and debentures are valued at the mid-point of the last evaluated bid price and the last evaluated ask price received from recognized investment dealers and their last evaluated price for short positions.

If there is no quoted price in an active market, then the Funds use valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Funds recognize transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

There are no differences between the Funds' method for measuring fair value for financial reporting purposes and that for the purposes of calculating net asset value for unitholder transactions.

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

2. Material accounting policies (continued):

(c) Fair value measurement (continued):

Derecognition:

The Funds derecognize a financial asset when the contractual rights to the cash flows from the financial asset expire, or they transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Funds neither transfer nor retain substantially all of the risks and rewards of ownership and do not retain control of the financial asset.

The Funds derecognize a financial liability when its contractual obligations are discharged, cancelled, or expired.

(d) Critical accounting estimates and judgments:

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Funds have made in preparing the financial statements:

(i) Fair value measurement of derivatives and securities not quoted in an active market:

The Funds hold financial instruments that are not quoted in active markets, including derivative securities. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them. The models used for private equity securities are based mainly on earnings multiples adjusted for a lack of marketability, as appropriate.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Funds consider observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to note 8 for further information about the fair value measurement of the Fund's financial instruments.

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

2. Material accounting policies (continued):

(d) Critical accounting estimates and judgments (continued):

(ii) Classification and measurement of investments and application of the fair value option:

In classifying and measuring financial instruments held by the Funds, the Manager is required to make significant judgments in determining the most appropriate classification in accordance with IFRS 9. The Manager has assessed the Funds' business models, the manner in which all financial assets and financial liabilities are managed and performance evaluated as a group on a fair value basis, and concluded that FVTPL in accordance with IFRS 9 provides the most appropriate classification of the Funds' financial instruments.

(e) Cost of investments:

The cost of investments represents the amount paid for each security and is determined on an average cost basis excluding transaction costs. Investment transactions are accounted for as of the trade date.

(f) Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount reported in the statements of financial position where the Funds have a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit or loss and foreign exchange gains and losses.

(g) Transaction costs:

Transaction costs are incremental costs directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges and transfer taxes and duties. In accordance with IFRS Accounting Standards, transaction costs are expensed and are included in transaction costs in the statements of comprehensive income (loss).

(h) Cash and cash equivalents:

Cash and cash equivalents consist of cash on deposit and short-term debt instruments with terms to maturity less than 90 days. Cash and cash equivalents are reported at fair value which closely approximates their amortized cost due to the nature of being highly liquid and having short terms to maturity. Where cash and cash equivalents are in net bank overdraft positions, these are presented as current liabilities in the statements of financial position.

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

2. Material accounting policies (continued):

(i) Investment transactions and income recognition:

All investment transactions are accounted for on the trade date.

Income from investments held is recognized on an accrual basis. Interest income is accrued as earned and dividend income and distributions from investment trusts are recognized on the ex-dividend dates.

Distributions received from investment trusts are recorded as income, capital gains or a return of capital, based on the best information available to the Manager. Due to the nature of these investments, actual allocations could vary from this information. Distributions from investment trusts that are treated as a return of capital for income tax purposes reduce the average cost of the underlying investment trust on the schedule of investments.

(j) Foreign exchange:

Securities and other assets and liabilities denominated in foreign currencies are translated into Canadian dollars, the functional currency of the Funds, at the exchange rates prevailing on each valuation day. Purchases and sales of investments and derivatives, income and expenses are translated into Canadian dollars at the exchange rates prevailing on the respective dates of such transactions. Realized and unrealized foreign exchange gains (losses) on investments and derivatives are included in realized gain (loss) on sale of investments and derivatives and change in unrealized appreciation (depreciation) on investments and derivatives, respectively, in the statements of comprehensive income (loss).

(k) Derivative transactions:

Options:

The Manager may use options to offset potential losses from changes in the prices of the Funds' investments instead of buying and selling securities directly. There can be no assurance that the hedging strategies will be effective. Losses may also arise if the counterparty does not perform under the contract.

Warrants:

The cost of warrants is included in derivatives on the statements of financial position. The unrealized gain or loss is reflected in the statements of comprehensive income (loss) in unrealized gain (loss) on derivatives.

(l) Multi-series funds:

Where a Fund offers more than one series of redeemable units, the realized gains/losses from the sale of investments, changes in unrealized gains (losses) on investments, income and expenses that are common to the Fund as a whole, are allocated daily to each series based on the proportionate share of the net asset value of the series. The proportionate share of each series is determined by adding the current day's net unitholder subscriptions of the series to the prior day's net asset value of the series. Any income or expense amounts that are unique to a particular series (for example, management fees) are accounted for separately in that particular series so as to not affect the net asset value of the other series.

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

2. Material accounting policies (continued):

(m) Valuation of Funds redeemable units:

The net assets attributable to holders of redeemable units of each Fund are computed by dividing the net assets attributable to holders of a series of redeemable units by the total number of redeemable units of the series outstanding at the time. The net assets attributable to holders of redeemable units are determined at the close of business each Friday.

(n) Securities lending income:

The Funds lend portfolio securities from time to time in order to earn additional income. Income from securities lending is included in the statements of comprehensive income (loss) of the Funds and is recognized on an accrual basis. Any securities on loan continue to be displayed in the schedule of investments and the market value of the securities loaned and collateral held is determined daily (note 7).

(o) Classification of redeemable units issued by the Funds:

The Funds' outstanding redeemable units' entitlements include a contractual obligation to distribute any net income and net realized gains annually in cash (at the request of the unitholder) and therefore the ongoing redemption feature is not the units' only contractual obligation. Consequently, the Funds' outstanding redeemable units are classified as financial liabilities in accordance with the requirements of IAS 32, *Financial Instruments: Presentation*. The Funds' obligation for net assets attributable to holders of redeemable units is measured at FVTPL, with fair value being the redemption amounts as of the reporting date.

(p) Impairments:

IFRS 9 requires that an entity recognize a loss allowance for expected credit losses on financial assets which are measured at amortized cost or FVOCI. Financial assets held by the Fund which are measured at FVTPL will not be subject to the impairment requirements.

With respect to financial assets classified and measured at amortized cost, the Funds consider both historical analysis and forward-looking information in determining any expected credit loss. As at the financial statement date, financial assets classified and measured at amortized cost are due to be settled within the short term. The Funds consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligation in the near term. Given the limited exposure of the Funds to credit risk, no loss allowance has been recognized as any such impairment will not have a significant impact on the financial statements.

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

2. Material accounting policies (continued):

(q) Adoption of New Accounting Standards

Certain pronouncements were issued by the IASB or International Financial Reporting Interpretations Committee (IFRIC) and have been adopted in the current year. Many are not applicable or do not have a significant impact on the Funds, and have therefore been excluded:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1); and
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7).

(r) Future accounting policy changes

Certain pronouncements were issued by the IASB. Many are not applicable or do not have a significant impact on the Funds and have been excluded. The following amended standards and interpretations have not yet been adopted and are not expected to have a significant impact on the Funds' financial statements:

- Lack of Exchangeability (Amendments to IAS 21); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

Management is currently in the process of evaluating the potential impact of IFRS 18 *Presentation and Disclosure in Financial Statements* ("IFRS 18"). It has not yet been determined whether this will have a significant impact on the Funds' financial statements. IFRS 18 is effective for annual periods beginning on or after January 1, 2027.

3. Financial risk management:

Investment activities of the Funds expose them to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate risk, other price risk and currency risk). The level of risk depends on each of the Funds' investment objectives and the type of securities each Fund invests in. Funds that invest in underlying funds are also exposed to indirect financial risks in the event that the underlying funds are exposed to these risks.

The Manager of the Funds seeks to minimize these risks by managing the security portfolios of the Funds on a daily basis according to market events and the investment objectives of the Funds. CPA Canada Handbook disclosures that are specific to each of the Funds are presented in the discussion of financial risk management under the schedule of investments. The sensitivity analysis shown in the discussion of financial risk management may differ from actual results and the difference could be significant.

The Manager maintains a risk management practice that includes monitoring compliance with investment restrictions to ensure that the Funds are being managed in accordance with the Funds' stated investment objectives, strategies and securities regulations. The risk positions noted below are monitored by the Manager on a regular basis.

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

3. Financial risk management (continued):

(a) Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge a commitment that it has entered into with the Funds. The fair value of a financial instrument takes into account the credit rating of its issuer, and accordingly, represents the maximum credit risk exposure of a Fund. The Funds' main credit risk concentration is in debt securities and trading derivative instruments which are disclosed in the respective Funds' schedule of investments. All transactions in securities are settled or paid for upon delivery through brokers. As such, credit risk is considered minimal in the Funds on investment transactions, as delivery of securities sold is made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

The Funds have provided the prime broker with a general lien over the financial assets held in custody as security for the prime broker's exposure relating to provision of custody services to the Funds. The terms under which the general lien is provided are usual and customary for prime broker agreements.

(b) Liquidity risk:

Liquidity risk is the risk that the Funds may not be able to settle or meet their obligations on time or at a reasonable price. The Funds are exposed to redemptions as units are redeemable on demand and unitholders may redeem their units on each valuation date. Therefore, in accordance with the Funds' Simplified Prospectus, the Funds invest their assets in investments that are traded in an active market and can be readily disposed. In addition, each Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity. The Funds may, from time to time, invest in securities that are not traded in an active market and may be illiquid.

(c) Market risk:

(i) Interest rate risk:

Interest rate risk is the risk that the fair value of the Funds' interest-bearing investments will fluctuate due to changes in the prevailing levels of market interest rates. The Funds' exposure to interest rate risk is concentrated in investments in debt securities (such as bonds and debentures or short-term instruments) and derivative instruments, if any. Other assets and liabilities are short-term in nature and are non-interest bearing. There is minimal sensitivity to interest rate fluctuations on cash and cash equivalents invested at short-term market interest rates.

(ii) Other price risk:

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. The Funds are exposed to market risk since all financial instruments held by the Funds present a risk of loss of capital. The maximum risk resulting from financial instruments is equivalent to their fair value, except for options written and future contracts where possible losses can be unlimited.

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

3. Financial risk management (continued):

(c) Market risk (continued):

(iii) Currency risk:

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises from financial instruments (including cash and cash equivalents and foreign currency derivative instruments) that are denominated in a currency other than Canadian dollars, which represents the functional currency of the Funds. Therefore, the Funds' financial instruments that are denominated in other currencies will fluctuate due to changes in the foreign exchange rates of those currencies in relation to the Funds' functional currency.

4. Holders of redeemable units:

The Manager considers the Funds' capital to consist of the net assets attributable to holders of redeemable units. The Funds' capital is managed in accordance with each of the Funds' investment objectives, policies, and restrictions, as outlined in the Funds' Prospectus. Changes in the Funds' capital during the year are reflected in the statements of changes in net assets attributable to unitholders of redeemable units. The Funds have no specific restrictions or specific capital requirements on the subscriptions and redemptions of redeemable units, other than minimum subscription requirements. The Funds endeavor to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions. Holders of redeemable units are entitled to distributions when declared. Distributions on redeemable units of a Fund are reinvested in additional redeemable units of the Fund or at the option of the holders of redeemable units, paid in cash. Redeemable units of the Funds are redeemable at the option of the holders of redeemable units in accordance with the Prospectus.

	Series A		Series F	
	2024	2023	2024	2023
Chou Associates Fund				
Redeemable units outstanding, beginning of year	691,639	770,337	294,530	279,359
Add redeemable units issued during the year	983	3,360	20,089	41,206
Deduct redeemable units redeemed during the year	(59,023)	(82,058)	(27,963)	(26,035)
Redeemable units outstanding before income distribution	633,599	691,639	286,656	294,530
Add redeemable units issued on reinvested income	-	-	-	-
Redeemable units outstanding, end of year	633,599	691,639	286,656	294,530
Chou Asia Fund				
Redeemable units outstanding, beginning of year	305,074	330,014	344,150	391,855
Add redeemable units issued during the year	1,536	-	9,277	11,007
Deduct redeemable units redeemed during the year	(58,997)	(27,674)	(34,646)	(63,060)
Redeemable units outstanding before income distribution	247,613	302,340	318,781	339,802
Add redeemable units issued on reinvested income	665	2,734	2,827	4,348
Redeemable units outstanding, end of year	248,278	305,074	321,608	344,150

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

4. Holders of redeemable units (continued):

	Series A		Series F	
	2024	2023	2024	2023
Chou Europe Fund				
Redeemable units outstanding, beginning of year	113,823	132,133	169,026	155,116
Add redeemable units issued during the year	3,019	29,566	64,729	92,366
Deduct redeemable units redeemed during the year	(32,021)	(50,114)	(38,104)	(81,541)
Redeemable units outstanding before income distribution	84,821	111,585	195,651	165,941
Add redeemable units issued on reinvested income	7,292	2,238	16,755	3,085
Redeemable units outstanding, end of year	92,113	113,823	212,406	169,026
Chou Bond Fund				
Redeemable units outstanding, beginning of year	565,642	605,477	640,839	582,040
Add redeemable units issued during the year	53,992	21,735	505,886	151,475
Deduct redeemable units redeemed during the year	(131,716)	(91,480)	(169,444)	(126,435)
Redeemable units outstanding before income distribution	487,918	535,732	977,281	607,080
Add redeemable units issued on reinvested income	19,726	29,910	42,821	33,759
Redeemable units outstanding, end of year	507,644	565,642	1,020,102	640,839
Chou RRSP Fund				
Redeemable units outstanding, beginning of year	509,615	556,521	449,653	467,565
Add redeemable units issued during the year	6,671	1,590	11,124	16,916
Deduct redeemable units redeemed during the year	(57,122)	(48,496)	(79,821)	(37,035)
Redeemable units outstanding before income distribution	459,164	509,615	380,956	447,446
Add redeemable units issued on reinvested income	4,210	-	5,312	2,207
Redeemable units outstanding, end of year	463,374	509,615	386,268	449,653

5. Related party transactions:

(a) Management fees:

The Manager manages the Funds under a management agreement dated August 10, 2005. The Manager is entitled to an annual investment management fee equal to 1.5% of the net asset value of Series A redeemable units and 1.0% of the net asset value of Series F redeemable units for all Funds other than the Chou Bond Fund on which the Manager is entitled to an annual investment management fee equal to 1.15% of the net asset value of Series A redeemable units and 1.0% of the net asset value of Series F redeemable units. All other expenses attributable to the Funds are also payable out of the assets of the Funds.

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

5. Related party transactions (continued):

(a) Management fees (continued):

The Manager has elected to waive the management fees for the Chou Europe Fund as outlined under the Simplified Prospectuses dated September 23, 2024 and September 23, 2023, respectively. The management fee rates presented above relate to the contractual rates prior to any reduction. Management fees and related reductions are presented on a gross basis in the statements of comprehensive income (loss).

During the year, management fees for each Fund are as follows:

	2024	2023
Chou Associates Fund	\$ 2,527,089	\$ 2,470,089
Chou Asia Fund	216,568	224,380
Chou Europe Fund	-	-
Chou Bond Fund	147,267	137,071
Chou RRSP Fund	461,742	543,125

As at year end, included in accrued expenses of each Fund are the following amounts due to the Manager, for management fees payable:

	2024	2023
Chou Associates Fund	\$ 200,611	\$ 179,832
Chou Asia Fund	16,784	16,745
Chou Europe Fund	-	-
Chou Bond Fund	13,352	9,751
Chou RRSP Fund	32,432	37,524

(b) Investments by the Manager and related parties:

The Manager, its officers and directors invest in redeemable units of the Funds from time to time in the normal course of business. All transactions with the Manager are measured at the exchange amounts.

As at December 31, 2024, the following amounts of redeemable units were held by the Manager, its officers, and directors.

	2024	2023
Chou Associates Fund	74,693	74,721
Chou Asia Fund	-	-
Chou Europe Fund	23,947	19,188
Chou Bond Fund	-	-
Chou RRSP Fund	44,194	43,791

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

5. Related party transactions (continued):

(b) Investments by the Manager and related parties (continued):

(i) Chou Associates Fund:

As at December 31, 2024, 8.1% of total redeemable units (2023 – 7.6%) were held by the Manager, its officers, and directors.

(ii) Chou Europe Fund:

As at December 31, 2024, 7.9% of total redeemable units (2023 – 6.8%) were held by the Manager, its officers, and directors.

(iii) Chou RRSP Fund:

As at December 31, 2024, 5.2% of total redeemable units (2023 – 4.6%) were held by the Manager, its officers, and directors.

(c) Sale of shares to related party:

In April 2023, Chou Associates Fund sold shares of EXCO Resources to Wintaai Holding Ltd. and Chou USA Inc., related parties under the control of Francis Chou. The sale price was based on the valuation as of December 31, 2022 performed by an external third-party valuator, which was the most recent price at the time of the transaction.

6. Brokers' commissions:

Total commissions paid to brokers in connection with portfolio transactions for the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Chou Associates Fund	\$ 115,448	\$ 35,664
Chou Asia Fund	1,233	2,909
Chou Europe Fund	757	2,098
Chou Bond Fund	-	-
Chou RRSP Fund	21,336	2,858

7. Securities lending:

The Funds have entered into a securities lending program with CIBC Mellon. The Funds receive collateral of at least 105% of the value of the securities on loan. Collateral may be comprised of cash and obligations of or guaranteed by, the Government of Canada or a province thereof, or by the United States Government or its agencies, but may include obligations of other governments with appropriate credit ratings. The aggregate dollar values of the securities that are on loan and the collateral received by the Funds as at December 31, 2024 and 2023 are as follows:

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

7. Securities lending (continued):

	Market value of securities on loan	Market value of collateral received
2024		
Chou Associates Fund	\$ 44,023	\$ 46,469
Chou Asia Fund	-	-
Chou Europe Fund	202,608	219,576
Chou Bond Fund	-	-
Chou RRSP Fund	466,561	491,590

	Market value of securities on loan	Market value of collateral received
2023		
Chou Associates Fund	\$ 40,351	\$ 42,379
Chou Asia Fund	-	-
Chou Europe Fund	387,921	408,543
Chou Bond Fund	-	-
Chou RRSP Fund	451,182	474,335

The tables below present a reconciliation of the securities lending income as presented in the statements of comprehensive income (loss) for the years ended December 31, 2024 and 2023. It shows the gross amount of securities lending revenues generated from the securities lending transactions of the Fund, less any taxes withheld and amounts due to parties entitled to receive payments out of the gross amount as part of any securities lending agreements.

Chou Associates Fund:

	December 31, 2024	
Gross securities lending revenue	\$ 3,336	100 %
Withholding taxes	-	0%
Agent fees	(408)	(12)%
Securities lending revenue	\$ 2,928	88 %

	December 31, 2023	
Gross securities lending revenue	\$ 10,557	100 %
Withholding taxes	-	0%
Agent fees	(2,111)	(20)%
Securities lending revenue	\$ 8,446	80 %

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

7. Securities lending (continued):

Chou Asia Fund:

	December 31, 2024	
Gross securities lending revenue	\$ 604	100%
Withholding taxes	-	0%
Agent fees	(66)	(11)%
Securities lending revenue	\$ 538	89%

	December 31, 2023	
Gross securities lending revenue	\$ 271	100%
Withholding taxes	(5)	(2)%
Agent fees	(53)	(20)%
Securities lending revenue	\$ 213	78%

Chou Europe Fund:

	December 31, 2024	
Gross securities lending revenue	\$ 5,372	100%
Withholding taxes	(12)	0%
Agent fees	(1,068)	(20)%
Securities lending revenue	\$ 4,292	80%

	December 31, 2023	
Gross securities lending revenue	\$ 310	100%
Withholding taxes	-	0%
Agent fees	(62)	(20)%
Securities lending revenue	\$ 248	80%

Chou Bond Fund:

	December 31, 2024	
Gross securities lending revenue	\$ 17,277	100%
Withholding taxes	(2,215)	(13)%
Agent fees	(3,000)	(17)%
Securities lending revenue	\$ 12,062	70%

	December 31, 2023	
Gross securities lending revenue	\$ 6,763	100%
Withholding taxes	(2,029)	(30)%
Agent fees	(947)	(14)%
Securities lending revenue	\$ 3,787	56%

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

7. Securities lending (continued):

Chou RRSP Fund:

	December 31, 2024	
Gross securities lending revenue	\$ 1,334	100%
Withholding taxes	(3)	0%
Agent fees	(186)	(14)%
Securities lending revenue	\$ 1,145	86%

	December 31, 2023	
Gross securities lending revenue	\$ 7,859	100%
Withholding taxes	-	0%
Agent fees	(1,571)	(20)%
Securities lending revenue	\$ 6,288	80%

8. Fair value measurement:

Below is a classification of fair measurements of the Funds' investments based on a three level fair value hierarchy and a reconciliation of transactions and transfers within that hierarchy. The hierarchy of fair valuation inputs is summarized as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the assets or liabilities that are not based on observable market data. Additional quantitative disclosures are required for Level 3 securities.

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

8. Fair value measurement (continued):

(a) Chou Associates Fund:

2024	Level 1	Level 2	Level 3	Total
Financial Assets				
Equities	\$ 89,846,280	\$ -	\$ 23,672,823	\$ 113,519,103
Bonds	-	-	-	-
Options	-	-	-	-
Warrants	2,696,009	-	-	2,696,009
Total	\$ 92,542,289	\$ -	\$ 23,672,823	\$ 116,215,112

2023	Level 1	Level 2	Level 3	Total
Financial Assets				
Equities	\$ 87,997,102	\$ -	\$ 17,448,083	\$ 105,445,185
Bonds	-	-	-	-
Options	-	-	-	-
Warrants	4,362,138	-	-	4,362,138
Total	\$ 92,359,240	\$ -	\$ 17,448,083	\$ 109,807,323

The following tables reconcile the Fund's Level 3 fair value measurement of financial instruments as at and for the years ended December 31, 2024 and December 31, 2023.

	Equities	Bonds	Total
Balance, December 31, 2023	\$ 17,448,083	\$ -	\$ 17,448,083
Purchase of investments	-	-	-
Net transfers during the year	-	-	-
Proceeds from sales during the year	-	-	-
Net realized gain on sale of investments	-	-	-
Change in unrealized appreciation in value of investments	6,224,740	-	6,224,740
Balance, December 31, 2024	\$ 23,672,823	\$ -	\$ 23,672,823

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

8. Fair value measurement (continued):

(a) Chou Associates Fund (continued):

	Equities	Bonds	Total
Balance, December 31, 2022	\$ 36,569,676	\$ -	\$ 36,569,676
Purchase of investments	-	-	-
Net transfers during the year	-	-	-
Proceeds from sales during the year	(14,189,475)	-	(14,189,475)
Net realized gain on sale of investments	1,839,485	-	1,839,485
Change in unrealized depreciation in value of investments	(6,771,603)	-	(6,771,603)
Balance, December 31, 2023	\$ 17,448,083	\$ -	\$ 17,448,083

For fiscal 2024 and 2023, there were no significant transfers between Level 1 and Level 2.

Financial instruments classified as Level 2 investments, where applicable, are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data.

Level 3 additional disclosures:

The table below sets out information about significant unobservable inputs used at December 31, 2024 and 2023 in measuring financial instruments categorized as Level 3 in the fair value hierarchy.

December 31, 2024

Securities/Instruments	Line item on the hierarchy table	Fair value (\$)	Valuation technique	Unobservable input	Range of input value	Possible shift +/- (absolute value/%)	Change in valuation (\$) +/-
Equity - Private Company	Equity Security	23,672,823	Market Approach & Income Approach	Third party, WACC	N/A	10%	2,367,282/ (2,367,282)

December 31, 2023

Securities/Instruments	Line item on the hierarchy table	Fair value (\$)	Valuation technique	Unobservable input	Range of input value	Possible shift +/- (absolute value/%)	Change in valuation (\$) +/-
Equity - Private Company	Equity Security	17,448,083	Market Approach & Income Approach	Third party, WACC	N/A	10%	1,744,808/ (1,744,808)

Third party source

The price for this security was received from a third-party source whose valuation methodology was model driven and included proxy security to capture interest rate and credit risk. Significant unobservable inputs used by the third-party are discounted cash flow, EBITDA, weighted average cost of capital ("WACC") and growth rates. Although the Fund believes that its estimates of fair value are appropriate, different methodologies or assumptions could lead to different measurements of fair value.

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

8. Fair value measurement (continued):

(b) Chou Asia Fund:

2024	Level 1	Level 2	Level 3	Total
Financial Assets				
Equities	\$ 11,992,747	\$ -	\$ -	\$ 11,992,747
Bonds	-	-	-	-
Options	-	-	-	-
Total	\$ 11,992,747	\$ -	\$ -	\$ 11,992,747

2023	Level 1	Level 2	Level 3	Total
Financial Assets				
Equities	\$ 10,279,347	\$ -	\$ -	\$ 10,279,347
Bonds	-	-	-	-
Options	-	-	-	-
Total	\$ 10,279,347	\$ -	\$ -	\$ 10,279,347

For fiscal 2024 and 2023, there were no significant transfers between Level 1 and Level 2.

Financial instruments classified as Level 2 investments, where applicable, are valued based on the prices provided by a reputable independent pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data.

(c) Chou Europe Fund:

2024	Level 1	Level 2	Level 3	Total
Financial Assets				
Equities	\$ 2,256,337	\$ -	\$ -	\$ 2,256,337
Bonds	-	-	-	-
Options	-	-	-	-
Total	\$ 2,256,337	\$ -	\$ -	\$ 2,256,337

2023	Level 1	Level 2	Level 3	Total
Financial Assets				
Equities	\$ 2,257,827	\$ -	\$ -	\$ 2,257,827
Bonds	-	-	-	-
Options	-	-	-	-
Total	\$ 2,257,827	\$ -	\$ -	\$ 2,257,827

For fiscal 2024 and 2023, there were no significant transfers between Level 1 and Level 2.

Financial instruments classified as Level 2 investments, where applicable, are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data.

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

8. Fair value measurement (continued):

(d) Chou Bond Fund:

2024	Level 1	Level 2	Level 3	Total
Financial Assets				
Equities	\$ 40,449	\$ -	\$ 607,423	\$ 647,872
Bonds	-	4,406,216	366	4,406,582
Options	-	-	-	-
Total	\$ 40,449	\$ 4,406,216	\$ 607,789	\$ 5,054,454

2023	Level 1	Level 2	Level 3	Total
Financial Assets				
Equities	\$ 710,227	\$ -	\$ 447,702	\$ 1,157,929
Bonds	-	8,512,657	366	8,513,023
Options	-	-	-	-
Total	\$ 710,227	\$ 8,512,657	\$ 448,068	\$ 9,670,952

The following tables reconcile the Fund's Level 3 fair value measurement of financial instruments as at and for the years ended December 31, 2024 and December 31, 2023.

	Equities	Bonds	Total
Balance, December 31, 2023	\$ 447,702	\$ 366	\$ 448,068
Net transfers in during the year	-	-	-
Proceeds from sales during the year	-	-	-
Net realized gain (loss) on sale of investments	-	-	-
Change in unrealized appreciation in value of investments	159,721	-	159,721
Balance, December 31, 2024	\$ 607,423	\$ 366	\$ 607,789

	Equities	Bonds	Total
Balance, December 31, 2022	\$ 572,159	\$ 366	\$ 572,525
Net transfers in during the year	-	-	-
Proceeds from sales during the year	-	-	-
Net realized loss on sale of investments	-	-	-
Change in unrealized depreciation in value of investments	(124,457)	-	(124,457)
Balance, December 31, 2023	\$ 447,702	\$ 366	\$ 448,068

For fiscal 2024 and 2023, there were no significant transfers between Level 1 and Level 2.

Financial instruments classified as Level 2 investments are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data.

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

8. Fair value measurement (continued):

(d) Chou Bond Fund (continued):

Level 3 additional disclosures:

The table below sets out information about significant unobservable inputs used at December 31, 2024 and 2023 in measuring financial instruments categorized as Level 3 in the fair value hierarchy.

December 31, 2024

Securities/Instruments	Line item on the hierarchy table	Fair value (\$)	Valuation technique	Unobservable input	Range of input value	Possible shift +/- (absolute value/%)	Change in valuation (\$ +/-)
Equity - Private Company	Equity Security	607,423	Market Approach & Income Approach	Third party, WACC	N/A	10%	60,742/(60,742)
Convertible Bonds	Bonds	366	Market Approach	Market value of company	N/A	10%	37/(37)

December 31, 2023

Securities/Instruments	Line item on the hierarchy table	Fair value (\$)	Valuation technique	Unobservable input	Range of input value	Possible shift +/- (absolute value/%)	Change in valuation (\$ +/-)
Equity - Private Company	Equity Security	447,702	Market Approach & Income Approach	Third party, WACC	N/A	10%	44,770/(44,770)
Convertible Bonds	Bonds	366	Market Approach	Market value of company	N/A	10%	37/(37)

Third party source

The price for this security was received from a third-party source whose valuation methodology was model driven and included proxy security to capture interest rate and credit risk. Significant unobservable inputs used by the third-party are discounted cash flow, EBITDA, weighted average cost of capital (“WACC”) and growth rates. Although the Fund believes that its estimates of fair value are appropriate, different methodologies or assumptions could lead to different measurements of fair value.

(e) Chou RRSP Fund:

2024	Level 1	Level 2	Level 3	Total
Financial Assets				
Equities	\$ 13,843,271	\$ -	\$ 3,465,607	\$ 17,308,878
Bonds	-	-	100	100
Warrants	-	-	-	-
Total	\$ 13,843,271	\$ -	\$ 3,465,707	\$ 17,308,978

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

8. Fair value measurement (continued):

(e) Chou RRSP Fund (continued):

2023	Level 1	Level 2	Level 3	Total
Financial Assets				
Equities	\$ 16,381,335	\$ -	\$ 2,554,330	\$ 18,935,665
Bonds	-	-	100	100
Warrants	1,022,699	-	-	1,022,699
Total	\$ 17,404,034	\$ -	\$ 2,554,430	\$ 19,958,464

The following tables reconcile the Fund's Level 3 fair value measurement of financial instruments as at and for the years ended December 31, 2024 and December 31, 2023.

	Equities	Bonds	Total
Balance, December 31, 2023	\$ 2,554,330	\$ 100	\$ 2,554,430
Net transfers in during the year	-	-	-
Proceeds from sales during the year	-	-	-
Net realized gain (loss) on sale of investments	-	-	-
Change in unrealized appreciation in value of investments	911,277	-	911,277
Balance, December 31, 2024	\$ 3,465,607	\$ 100	\$ 3,465,707

	Equities	Bonds	Total
Balance, December 31, 2022	\$ 3,264,414	\$ 100	\$ 3,264,514
Net transfers in during the year	-	-	-
Proceeds from sales during the year	-	-	-
Net realized gain (loss) on sale of investments	-	-	-
Change in unrealized depreciation in value of investments	(710,084)	-	(710,084)
Balance, December 31, 2023	\$ 2,554,330	\$ 100	\$ 2,554,430

For fiscal 2024 and 2023, there were no significant transfers between Level 1 and Level 2.

Financial instruments classified as Level 2 investments, where applicable, are valued based on the prices provided by an independent reputable pricing services company who prices the securities based on recent transactions and quotes received from market participants and through incorporating observable market data.

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

8. Fair value measurement (continued):

(e) Chou RRSP Fund (continued):

Level 3 additional disclosures:

The table below sets out information about significant unobservable inputs used at December 31, 2024 and 2023 in measuring financial instruments categorized as Level 3 in the fair value hierarchy.

December 31, 2024

Securities/Instruments	Line item on the hierarchy table	Fair value (\$)	Valuation technique	Unobservable input	Range of input value	Possible shift +/- (absolute value/%)	Change in valuation (\$) +/-
Equity - Private Company	Equity Security	3,465,607	Market Approach & Income Approach	Third party, WACC	N/A	10%	346,561/ (346,561)
Convertible Bonds	Bonds	100	Market Approach	Market value of company	N/A	10%	10/ (10)

December 31, 2023

Securities/Instruments	Line item on the hierarchy table	Fair value (\$)	Valuation technique	Unobservable input	Range of input value	Possible shift +/- (absolute value/%)	Change in valuation (\$) +/-
Equity - Private Company	Equity Security	2,554,330	Market Approach & Income Approach	Third party, WACC	N/A	10%	255,433/ (255,433)
Convertible Bonds	Bonds	100	Market Approach	Market value of company	N/A	10%	10/ (10)

Third party source

The price for this security was received from a third-party source whose valuation methodology was model driven and included proxy security to capture interest rate and credit risk. Significant unobservable inputs used by the third-party are discounted cash flow, EBITDA, weighted average cost of capital (“WACC”) and growth rates. Although the Fund believes that its estimates of fair value are appropriate, different methodologies or assumptions could lead to different measurements of fair value.

CHOU FUNDS

Notes to the Financial Statements

Years ended December 31, 2024 and 2023

9. Income taxes:

The Chou Funds qualify as mutual fund trusts under the provisions of the Income Tax Act (Canada). General income tax rules apply to the Chou Funds; however, no income tax is payable by the Chou Funds on investment income and/or net realized capital gains which are distributed to unitholders. In addition, income taxes payable on undistributed net realized capital gains are refundable on a formula basis when redeemable units of the Funds are redeemed. Sufficient net income and realized capital gains of the Chou Funds, have been, or will be distributed to the unitholders such that no tax is payable by the Chou Funds and, accordingly, no provision for taxes has been made in the financial statements.

Capital losses for income tax purposes may be carried forward indefinitely and applied against capital gains in future years.

The Funds have the following net realized capital losses available for utilization against net realized capital gains in future years:

	2024	2023
Chou Associates Fund:		
Capital loss carryforward	\$ -	\$ -
Chou Asia Fund:		
Capital loss carryforward	-	-
Chou Europe Fund:		
Capital loss carryforward	4,222,206	4,222,206
Chou Bond Fund:		
Capital loss carryforward	12,055,505	12,095,612
Chou RRSP Fund:		
Capital loss carryforward	15,462,975	11,983,249

10. Audit fees

For the year ended December 31, 2024, fees paid or payable to Doane Grant Thornton LLP for the audit of the financial statements of the Funds were \$220,687 (2023 - \$196,673). Fees paid to Doane Grant Thornton LLP for other services were \$2,700 (2023 - \$2,600).

11. Post-reporting date events

The Manager of the Funds evaluated subsequent events through March 28, 2025, the date these financial statements were authorized for issue. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

Illustration of an assumed investment of \$10,000 in Canadian dollars (unaudited)

CHOU ASIA FUND

Period ended	Total value of shares
Dec.31, 2003	\$10,000
Dec.31, 2004	11,850
Dec.31, 2005	12,678
Dec.31, 2006	14,598
Dec.31, 2007	16,972
Dec.31, 2008	13,979
Dec.31, 2009	17,015
Dec.31, 2010	18,786
Dec.31, 2011	17,931
Dec.31, 2012	17,609
Dec.31, 2013	21,799
Dec.31, 2014	23,472
Dec.31, 2015	24,760
Dec.31, 2016	25,284
Dec.31, 2017	30,625
Dec.31, 2018	26,728
Dec.31, 2019	27,001
Dec.31, 2020	44,850
Dec.31, 2021	44,087
Dec.31, 2022	41,185
Dec.31, 2023	48,176
December 31, 2024	<u>\$56,617</u>

CHOU EUROPE FUND

Period ended	Total value of shares
Dec.31, 2003	\$10,000
Dec.31, 2004	11,361
Dec.31, 2005	12,650
Dec.31, 2006	14,002
Dec.31, 2007	11,881
Dec.31, 2008	6,655
Dec.31, 2009	8,962
Dec.31, 2010	8,885
Dec.31, 2011	8,451
Dec.31, 2012	10,753
Dec.31, 2013	15,199
Dec.31, 2014	15,342
Dec.31, 2015	15,629
Dec.31, 2016	12,705
Dec.31, 2017	13,161
Dec.31, 2018	11,856
Dec.31, 2019	11,495
Dec.31, 2020	14,626
Dec.31, 2021	13,973
Dec.31, 2022	15,090
Dec.31, 2023	21,063
December 31, 2024	<u>\$20,084</u>

CHOU BOND FUND

Period ended	Total value of shares
Dec.31, 2005	\$10,000
Dec.31, 2006	12,200
Dec.31, 2007	11,870
Dec.31, 2008	7,396
Dec.31, 2009	10,534
Dec.31, 2010	13,980
Dec.31, 2011	11,408
Dec.31, 2012	12,884
Dec.31, 2013	15,944
Dec.31, 2014	17,502
Dec.31, 2015	16,875
Dec.31, 2016	18,411
Dec.31, 2017	18,114
Dec.31, 2018	20,805
Dec.31, 2019	15,582
Dec.31, 2020	19,458
Dec.31, 2021	27,484
Dec.31, 2022	29,671
Dec.31, 2023	29,120
December 31, 2024	<u>\$34,418</u>

Illustration of an assumed investment of \$10,000 in Canadian dollars (unaudited)

CHOU RRSP FUND

Period ended	Total value of shares
Dec.31, 1986	\$10,000
Dec.31, 1987	10,818
Dec.31, 1988	12,281
Dec.31, 1989	14,350
Dec.31, 1990	12,722
Dec.31, 1991	13,284
Dec.31, 1992	14,500
Dec.31, 1993	16,727
Dec.31, 1994	14,961
Dec.31, 1995	17,808
Dec.31, 1996	21,735
Dec.31, 1997	32,741
Dec.31, 1998	38,806
Dec.31, 1999	36,217
Dec.31, 2000	42,188
Dec.31, 2001	49,370
Dec.31, 2002	65,095
Dec.31, 2003	72,658
Dec.31, 2004	82,362
Dec.31, 2005	95,294
Dec.31, 2006	104,479
Dec.31, 2007	94,817
Dec.31, 2008	54,629
Dec.31, 2009	69,818
Dec.31, 2010	102,367
Dec.31, 2011	81,150
Dec.31, 2012	108,860
Dec.31, 2013	132,029
Dec.31, 2014	150,763
Dec.31, 2015	131,417
Dec.31, 2016	126,719
Dec.31, 2017	154,716
Dec.31, 2018	143,655
Dec.31, 2019	118,267
Dec.31, 2020	134,262
Dec.31, 2021	209,422
Dec.31, 2022	191,136
Dec.31, 2023	188,116
Dec.31, 2024	\$185,537

NOTE: Rates of return are historical total returns, include changes in unit prices, and assume the reinvestment of all distributions. These annual compounded returns do not take into account any sales charges, redemption fees, other optional expenses or income taxes that you have to pay and that could reduce these returns. The returns are not guaranteed. The Fund's past performance does not necessarily indicate future performance.

The table is presented only to illustrate the effects of the compound growth rate and is not intended to reflect future values of the mutual funds or returns on the mutual funds. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing.

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