

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

**SEMI-ANNUAL REPORT 2024**

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

**CHOU ASSOCIATES FUND**

<b>Period ended</b>	<b>Total value of shares</b>
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
<b>Jun.30, 2024</b>	<b>\$334,990</b>

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

Six months ended June 30, 2024 (unaudited)

---

### **Chou Associates Fund**

Series A \$CAN	10.2%
Series A \$US	6.7%
<hr/>	
Series F \$CAN	10.5%
Series F \$US	7.0%

### **Chou Asia Fund**

Series A \$CAN	10.8%
Series A \$US	7.3%
<hr/>	
Series F \$CAN	11.1%
Series F \$US	7.6%

### **Chou Europe Fund**

Series A \$CAN	1.7%
Series A \$US	(1.5%)
<hr/>	
Series F \$CAN	1.7%
Series F \$US	(1.5%)

### **Chou Bond Fund**

Series A \$CAN	7.1%
Series A \$US	3.7%
<hr/>	
Series F \$CAN	7.2%
Series F \$US	3.8%

### **Chou RRSP Fund**

Series A \$CAN	(3.0%)
Series A \$US	(6.0%)
<hr/>	
Series F \$CAN	(2.7%)
Series F \$US	(5.8%)

## TABLE OF CONTENTS

Chou Associates Fund Manager's Letter	1-5
Management's Responsibility for Financial Reporting	6
<b>Chou Associates Fund</b>	
Statements of Financial Position	7
Statements of Comprehensive Income	8
Statements of Changes in Net Assets	9
Statements of Cash Flows	10
Schedule of Investments	11
Discussion of Financial Risk Management	12-13
<b>Chou Asia Fund</b>	
Fund Manager's Letter	14-16
Statements of Financial Position	17
Statements of Comprehensive Income	18
Statements of Changes in Net Assets	19
Statements of Cash Flows	20
Schedule of Investments	21
Discussion of Financial Risk Management	22-23
<b>Chou Europe Fund</b>	
Fund Manager's Letter	24-26
Statements of Financial Position	27
Statements of Comprehensive Income	28
Statements of Changes in Net Assets	29
Statements of Cash Flows	30
Schedule of Investments	31
Discussion of Financial Risk Management	32-33
<b>Chou Bond Fund</b>	
Fund Manager's Letter	34-36
Statements of Financial Position	37
Statements of Comprehensive Income	38
Statements of Changes in Net Assets	39
Statements of Cash Flows	40
Schedule of Investments	41
Discussion of Financial Risk Management	42-44
<b>Chou RRSP Fund</b>	
Fund Manager's Letter	45-48
Statements of Financial Position	49
Statements of Comprehensive Income	50
Statements of Changes in Net Assets	51
Statements of Cash Flows	52
Schedule of Investments	53
Discussion of Financial Risk Management	54-55
<b>Notes to Financial Statements</b>	56-79

**CHOU ASSOCIATES FUND**  
(unaudited)

August 16, 2024

Dear Unitholders of Chou Associates Fund,

The net asset value per unit (“NAVPU”) of a Series A unit of Chou Associates Fund at June 30, 2024 was \$171.94 compared to \$156.08 at December 31, 2023, an increase of 10.2%; during the same period, the S&P 500 Total Return Index increased by 19.4% in Canadian dollars. In U.S. dollars, a Series A unit of Chou Associates Fund increased by 6.7% while the S&P 500 Total Return Index increased by 15.3%.

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

<b>June 30, 2024 (Series A)</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>	<b>20 Years</b>
Chou Associates Fund (\$CAN)	9.2%	10.3%	11.8%	4.9%	8.5%	6.3%
S&P 500 (\$CAN)	28.8%	13.6%	16.0%	15.7%	16.1%	10.4%
Chou Associates Fund (\$US)	5.8%	6.8%	10.8%	2.3%	7.3%	6.2%
S&P 500 (\$US)	24.6%	10.0%	15.0%	12.8%	14.8%	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 First Six-Month Results**

The largest increase in the period were the equity holdings of EXCO Resources Inc., Synchrony Financial, Wells Fargo & Company, Citigroup Inc. and Ally Financial Inc. The decliners in the year were the warrant holding of Hertz Global Holdings Inc. and the equity holding of Navient Corporation.

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

The Fund reduced its holding in Hertz Global Holdings Inc. (warrants) and Berkshire Hathaway Inc.

The Fund also sold off its holdings in Bausch Health Companies Inc.

The Fund initiated investments in Pathward Financial Inc. and Liberty Media Corporation – Liberty SiriusXM.

## 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.

So, we asked Fundata to supply the data and found the results of Chou Associates Fund to be a huge surprise over the long term! It is ranked 1<sup>st</sup> over the 30-year period. 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.

Another big surprise is how many funds drop off (close) over the long term. For example, as of June 30, 2024, we have 2,043 funds in the Global Equity category. By the 15<sup>th</sup> year, that has dropped to 391 funds; by year 35, there are only 15 competitors.

Fund category and rank	Performance period (number of years)					
	YTD	15	20	25	30	35
<b>Global equity category:</b>						
Chou Associates Fund (Series A), rank	1,267	296	102	2	1	1
Number of funds in this category	2,043	391	174	44	21	15

Source: All data courtesy of Fundata.

### So much for “Value investing is dead”

Do you have to be flawless in your stock selections to be ranked number 1? Absolutely not! Value investing gives you enough of a cushion to make mistakes and still get a decent rate of return. Let’s look at some of the errors we’ve made over the last several years, excluding some truly dumb mistakes.

The key to value investing is appraisal: knowing the true value of a company. If that is not precise enough, everything falls apart.

### Mistakes of Commission

We tend to fish in troubled waters; in some years, our appraisals of distressed companies were off the mark. For example, perhaps we thought a company was worth 100 cents, but it was worth closer to 60 cents. The tendency is to put a much higher weight on asset value and not enough weight on the value of the operating company. The problem is that asset value can be a **massive security blanket** that can make us blind to the deterioration of the worth of the operating company.

A case in point is Sears Holdings. We were correct that the company's real estate plus the value of the brand names would afford some cushion against losses; however, we were inaccurate in our assumption that the former chief executive and chairman of the company, Eddie Lampert, would maximize returns for shareholders based on the real estate assets and the value of the operating retail company. Instead, he tried to reinvent the company, suffering huge losses along the way and almost wholly eroding the value of the considerable real estate assets that Sears held. Although the value of downside protection is important, most of the returns from an investment come from either the increase in the intrinsic value of the company, or the closing of the gap between the discounted purchase price and the full intrinsic value. When neither happens, then investors want to see the assets and the brand names divested or sold—sooner rather than later—for the benefit of the shareholders. Fortunately, we can say that in the case of Sears, we lost an insignificant amount of money on an actual dollar basis (as one Republican suggested, such amounts should be classified as “Trump change”). However, we did lose a tremendous amount in opportunity costs over that 10-year period. Trump change or not, it was still an unforced error. That was a mistake of commission.

### **Mistakes of Omission**

We also made a number of mistakes of omission. Over the last 35 years, roughly half of our portfolio was invested in troubled companies, and the other half was in good companies, so we are well acquainted with investing in both types. But what happened in some years was that we spent too much time undervaluing the good companies. While our assessment showed that these investments were worth 100 cents, they were more accurately close to 150 cents, thus causing us to miss some good opportunities. These omissions, though they are unseen mistakes, are nevertheless as real as mistakes of commission. In summary, although the markets have been less kind to value investing, we can exacerbate the problem as practitioners, and I am the biggest culprit.

### **What about the next 35 years?**

We believe value investing will continue to flourish over the next 35 years and we expect that Chou Associates Fund will continue to do well.

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

### **Large Cash Position**

Also, the Fund's cash position was approximately 32.4% of net assets as at June 30, 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.

## **Changes to the tax rate on realized capital gains/losses**

On April 16, 2024, the Federal Budget for 2024 announced an increase in the capital gains inclusion rate to 66.7% (up from 50%) for individuals, corporations, and trusts. However, to offer some relief to individuals, the rate will stay at 50% for capital gains up to \$250,000 per year. This adjustment means that you, your corporation, or trust may face higher taxes on the sale of assets with significant accrued gains. The new rate will apply to capital gains realized on or after June 25, 2024.

As a result, we took the opportunity to sell some Berkshire Hathaway shares that had large unrealized gains before June 25th and sold Hertz Global Holding warrants and Bausch Health shares in which we had unrealized losses after June 25th.

Another reason for selling losers is to avoid the pitfalls resulting from sunk cost bias. When one buys a stock, it is hard to accept that it was a mistake when it goes down. One can come up with many reasons (rationalizing) why it is still a cheap stock and why it is a matter of time before we hit the jackpot. When one sells them, one can always repurchase them after a month. However, when you don't own the stock, you come up with a fresh perspective and valuation that does not cloud one's judgment.

## **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\$1.8 billion (roughly US\$38 per share) based on the New York Mercantile Exchange (NYMEX) forward pricing as of December 31, 2023, and the net proved reserves were 2.9 trillion cubic feet equivalent. Its number of outstanding shares as of December 31, 2023 was 47,386,708. We estimate its EBITDA for the year ending 2024 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 June 30, 2024, the share of EXCO was valued at \$21.05 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.



**Other Matters**

FOREIGN CURRENCY CONTRACTS: None existed at June 30, 2024.

CREDIT DEFAULT SWAPS: None existed at June 30, 2024.

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

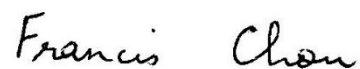
REDEMPTION FEE: We have a redemption fee of 2% if unitholders redeem their units in less than 3 months. None of this fee goes to the Fund Manager. It is put back into the Fund for the benefit of the remaining unitholders.

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 2023 IRC Annual Report is available on our website [www.choufunds.com](http://www.choufunds.com).

As of August 16, 2024, the NAVPU of a Series A unit of the Fund was \$178.02 and the cash position was approximately 31.0% of net assets. The Fund is up 14.1% from the beginning of the year. In U.S. dollars, it is up 10.4%.

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.

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.  
August 16, 2024

# CHOU ASSOCIATES FUND

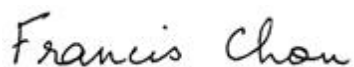
## Statements of Financial Position

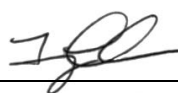
June 30, 2024 (Unaudited) and December 31, 2023

	June 30, 2024	December 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 52,015,882	\$ 44,087,178
Investments (note 8)	107,799,366	105,445,185
Derivatives (note 8)	643,903	4,362,138
Receivable for redeemable units subscribed	372	-
Dividends receivable	46,694	43,818
Total assets	160,506,217	153,938,319
<b>Liabilities</b>		
Current liabilities:		
Accrued expenses	245,138	290,033
Payable for units redeemed	-	30,966
Total liabilities	245,138	320,999
Net assets attributable to unitholders of redeemable units	\$ 160,261,079	\$ 153,617,320
Net assets attributable to unitholders of redeemable units:		
Series A	\$ 111,118,224	\$ 107,940,581
Series F	49,142,855	45,676,739
	\$ 160,261,079	\$ 153,617,320
Number of redeemable units outstanding (note 4):		
Series A	646,325	691,639
Series F	286,836	294,530
Net assets attributable to unitholders of redeemable units per unit:		
Canadian dollars:		
Series A	\$ 171.92	\$ 156.07
Series F	171.33	155.08
U.S. dollars:		
Series A	125.67	117.78
Series F	125.24	117.04

See accompanying notes to the interim financial statements.

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

  
\_\_\_\_\_

  
\_\_\_\_\_

# CHOU ASSOCIATES FUND

## Statements of Comprehensive Income

Six months ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
<b>Income:</b>		
Dividends	\$ 391,115	\$ 388,398
Securities lending income (note 7)	184	6,518
Interest for distribution purposes and other	167,960	1,575
Foreign currency gain (loss) on cash and other net asset	1,531,960	(866,888)
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	4,683,757	4,820,817
Net realized loss on derivatives	(3,458,511)	-
Change in unrealized appreciation (depreciation) on investments	12,734,026	(2,098,206)
Change in unrealized appreciation on derivatives	1,092,456	1,966,016
	17,142,947	4,218,230
<b>Expenses:</b>		
Management fees (note 5(a))	1,257,207	1,271,408
Custodial fees	128,216	136,986
Audit fees	87,085	71,720
Filing fees	72,721	25,357
Independent review committee fees	2,111	-
FundSERV fees	12,365	12,127
Legal fees	9,100	9,050
Transaction costs (note 6)	54,670	22,033
Foreign withholding taxes	58,784	56,127
Other	5,399	3,257
	1,687,658	1,608,065
Increase in net assets attributable to unitholders of redeemable units	\$ 15,455,289	\$ 2,610,165
Increase in net assets attributable to unitholders of redeemable units per series:		
Series A	\$ 10,722,055	\$ 1,834,196
Series F	4,733,234	775,969
	\$ 15,455,289	\$ 2,610,165
Average number of redeemable units outstanding for the period for the Series:		
Series A	679,593	758,291
Series F	290,939	274,780
Increase in net assets attributable to unitholders of redeemable units per unit:		
Series A	\$ 15.78	\$ 2.42
Series F	16.27	2.82

See accompanying notes to the interim financial statements.

# CHOU ASSOCIATES FUND

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

Six months ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
<b>Series A</b>		
Net assets attributable to unitholders of redeemable units, beginning of period	\$ 107,940,581	\$ 119,424,693
Increase in net assets attributable to unitholders of redeemable units	10,722,055	1,834,196
Proceeds from issue of redeemable units	55,532	281,649
Payments on redemption of redeemable units	(7,599,944)	(3,831,962)
Net assets attributable to unitholders of redeemable units, end of period	\$ 111,118,224	\$ 117,708,576
<b>Series F</b>		
Net assets attributable to unitholders of redeemable units, beginning of period	\$ 45,676,739	\$ 42,795,833
Increase in net assets attributable to unitholders of redeemable units	4,733,234	775,969
Proceeds from issue of redeemable units	1,313,828	648,941
Payments on redemption of redeemable units	(2,580,946)	(1,892,342)
Reinvested distributions	—	746
Net assets attributable to unitholders of redeemable units, end of period	\$ 49,142,855	\$ 42,329,147
Total net assets attributable to unitholders of redeemable units, end of period	\$ 160,261,079	\$ 160,037,723

See accompanying notes to the interim financial statements.

# CHOU ASSOCIATES FUND

## Statements of Cash Flows

Six months ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
<b>Cash flows from operating activities:</b>		
Increase in net assets attributable to unitholders of redeemable units	\$ 15,455,289	\$ 2,610,165
Adjustments for:		
Foreign currency (gain) loss on cash and other net assets	(1,531,960)	866,888
Net realized gain on disposal of investments and derivatives	(1,225,246)	(4,820,817)
Change in unrealized (appreciation) depreciation on investments and derivatives	(13,826,482)	132,190
Change in non-cash operating working capital:		
(Increase) decrease in dividends receivable	(2,876)	967
Decrease in accrued expenses	(44,895)	(13,651)
Purchase of investments	(2,259,806)	(11,061,386)
Proceeds from sales of investments	18,675,588	20,433,029
Net cash generated from operating activities	15,239,612	8,147,385
<b>Cash flows from financing activities:</b>		
Reinvested distributions	–	746
Proceeds from redeemable units issued	1,368,988	969,787
Amount paid on redemption of redeemable units	(10,211,856)	(5,743,748)
Net cash used in financing activities	(8,842,868)	(4,773,215)
Foreign currency gain (loss) on cash and other net assets	1,531,960	(866,888)
Increase in cash and cash equivalents	7,928,704	2,507,282
Cash and cash equivalents, beginning of period	44,087,178	39,090,997
<b>Cash and cash equivalents, end of period</b>	<b>\$ 52,015,882</b>	<b>\$ 41,598,279</b>
Supplemental information:		
Interest received	167,960	1,575
Dividends received, net of withholding tax	329,455	333,238
Security lending income received	184	6,518

See accompanying notes to the interim financial statements.

# CHOU ASSOCIATES FUND

## Schedule of Investments

June 30, 2024 (Unaudited)

	Number of securities	Cost	Fair value
<b>Equities*</b>			
Ally Financial Inc.	155,686	\$ 5,289,052	\$ 8,449,164
Berkshire Hathaway Inc.	65	6,855,298	54,442,460
Citigroup Inc.	57,695	1,457,677	5,008,875
EXCO Resources Inc.	781,244	19,296,711	22,497,837
Liberty Global Limited	84,823	2,166,367	2,022,614
Liberty Media Corporation-Liberty SiriusXM	15,032	587,857	455,710
Navient Corporation	183,338	4,601,299	3,651,874
Pathward Financial Inc.	25,017	1,677,840	1,936,080
Synchrony Financial	120,000	5,457,935	7,746,994
Wells Fargo & Company	19,542	1,042,763	1,587,758
		48,432,799	107,799,366
<b>Derivatives</b>			
Hertz Global Holdings Inc., warrants, June 30, 2051	192,111	2,261,677	643,903
Total investments		50,694,476	108,443,269
Transaction costs		(176,298)	-
Portfolio total		\$ 50,518,178	\$ 108,443,269

\* Common shares unless indicated otherwise

See accompanying notes to the interim financial statements.

# CHOU ASSOCIATES FUND

## Discussion of Financial Risk Management

Six months ended June 30, 2024 and 2023 (Unaudited)

---

### 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 53.63% (December 31, 2023 – 60.12%) of the Fund's net assets held at June 30, 2024 were publicly traded equities. If equity prices on the exchange had increased or decreased by 5% as at June 30, 2024, the net assets of the Fund would have increased or decreased by approximately \$4,297,272 or 2.68% (December 31, 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 June 30, 2024 and December 31, 2023 expressed in CAD are as follows:

<b>June 30, 2024</b>	<b>Investments and derivatives</b>	<b>Cash and cash equivalents</b>	<b>Other assets and liabilities</b>	<b>Total</b>	<b>Percentage of net asset value</b>
United States dollar (USD)	\$ 108,443,269	\$ 51,380,477	\$ 46,694	\$ 159,870,440	99.8%

<b>December 31, 2023</b>	<b>Investments and derivatives</b>	<b>Cash and cash equivalents</b>	<b>Other assets and liabilities</b>	<b>Total</b>	<b>Percentage of net asset value</b>
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

Six months ended June 30, 2024 and 2023 (Unaudited)

---

### 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, dividends receivable, receivable for units subscribed, derivatives and payable for units redeemed that are denominated in foreign currencies.

As at June 30, 2024, if the Canadian dollar had strengthened or weakened by 1% in relation to all currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$1,598,704 (December 31, 2023 - \$1,533,292).

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

**CHOU ASIA FUND**  
(unaudited)

August 16, 2024

Dear Unitholders of Chou Asia Fund

The net asset value per unit (“NAVPU”) of a Series A unit of Chou Asia Fund at June 30, 2024 was \$26.91 compared to \$24.29 at December 31, 2023, an increase of 10.8%; during the same period, the MSCI AC (Morgan Stanley Capital International All Country) Asia Pacific Total Return Index in Canadian dollars increased by 11.8%. In U.S. dollars, a Series A unit of Chou Asia Fund was up 7.3% while the MSCI AC Asia Pacific Total Return Index increased by 8.0%.

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

<b>June 30, 2024 (Series A)</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
Chou Asia Fund (\$CAN)	22.6%	1.9%	15.2%	8.8%	9.2%
MSCI AC Asia Pacific TR (\$CAN)	17.5%	1.4%	6.2%	7.8%	8.0%
Chou Asia Fund (\$US)	18.8%	-1.4%	14.1%	6.1%	8.0%
MSCI AC Asia Pacific TR (\$US)	13.7%	-1.8%	5.3%	5.1%	6.8%

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 First Six-Month Results**

The major advancers in the first half of 2024 were the equity holdings of Shriram Finance Limited, Tencent Holdings Limited, Postal Savings Bank of China Co Ltd, and Consun Pharmaceutical Group Limited.

The largest decliners in the same period were the equity holdings of Alibaba Group Holding Limited and IDFC Limited.

The Canadian currency appreciated against the Hong Kong dollar, which also negatively affected the Fund.

During the period, the Fund did not reduce any of its holdings in the portfolio.

The Fund did not enter into any foreign currency contracts during the period.

The Fund also had no covered call options in its portfolio as at June 30, 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 Funddata to supply the data and found the results of Chou Asia Fund to be a huge surprise over the long term! It is ranked 1<sup>st</sup> over the 15-year period.

Fund category and rank	Performance period (number of years)				
	YTD	3	5	10	15
<b>Asia-Pacific equity (excluding Japan):</b>					
Chou Asia Fund (Series A), rank	37	1	1	1	1
Number of funds in this category	43	42	42	40	16

Source: All data courtesy of Funddata.

## **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.

The question is, how do we handicap the risk?

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 or keep our holdings in China to less than 20% at cost.

## **Large Cash Position**

Also, the Fund's cash position was approximately 26.6% of net assets as at June 30, 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 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.

## **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 Sandford Borins, Peter Gregoire and Joe Tortolano. The 2023 IRC Annual Report is available on our website [www.choufunds.com](http://www.choufunds.com).

As of August 16, 2024, the NAVPU of a Series A unit of the Fund was \$25.43 and the cash position was approximately 28.4% of net assets. The Fund is up 4.7% from the beginning of the year. In U.S. dollars, it is up 1.4%.

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

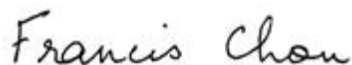
## Statements of Financial Position

June 30, 2024 (Unaudited) and December 31, 2023

	June 30, 2024	December 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 4,230,204	\$ 5,263,238
Investments (note 8)	11,705,007	10,279,347
Due from broker	–	528,875
Interest receivable	1,026	4,809
Dividends receivable	103,842	35,536
Total assets	16,040,079	16,111,805
<b>Liabilities</b>		
Current liabilities:		
Accrued expenses	138,419	126,171
Total liabilities	138,419	126,171
Net assets attributable to unitholders of redeemable units	\$ 15,901,660	\$ 15,985,634
Net assets attributable to unitholders of redeemable units:		
Series A	\$ 6,933,692	\$ 7,408,382
Series F	8,967,968	8,577,252
	\$ 15,901,660	\$ 15,985,634
Number of redeemable units outstanding (note 4):		
Series A	257,690	305,074
Series F	323,834	344,150
Net assets attributable to unitholders of redeemable units per unit:		
Canadian dollars:		
Series A	\$ 26.91	\$ 24.28
Series F	27.69	24.92
U.S. dollars:		
Series A	19.67	18.32
Series F	20.24	18.81

See accompanying notes to the interim financial statements.

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

  
\_\_\_\_\_

  
\_\_\_\_\_

# CHOU ASIA FUND

## Statements of Comprehensive Income

Six months ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
<b>Income:</b>		
Interest for distribution purposes and other	\$ 79,835	\$ 72,896
Dividends	134,827	306,114
Securities lending income (note 7)	62	204
Foreign currency gain (loss) on cash and other net assets	116,816	(141,601)
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:		
Net realized loss on disposal of investments	(5,588)	(30,151)
Change in unrealized appreciation on investments	1,425,248	857,250
	1,751,200	1,064,712
<b>Expenses:</b>		
Management fees (note 5(a))	109,748	109,325
Custodial fees	30,298	30,131
ADR fees	–	564
Audit	10,250	7,720
Filing fees	7,462	2,423
Independent review committee fees	224	–
FundSERV fees	1,173	1,086
Legal fees	–	536
Transaction costs (note 6)	–	–
Foreign withholding taxes	5,226	53,737
Other	484	310
	164,865	205,832
Increase in net assets attributable to unitholders of redeemable units	\$ 1,586,335	\$ 858,880
Increase in net assets attributable to unitholders of redeemable units per Series:		
Series A	\$ 690,290	\$ 379,094
Series F	896,045	479,786
	\$ 1,586,335	\$ 858,880
Average number of redeemable units outstanding for the period for the Series:		
Series A	285,537	323,204
Series F	333,964	379,461
Increase in net assets attributable to unitholders of redeemable units per unit:		
Series A	\$ 2.42	\$ 1.17
Series F	2.68	1.26

See accompanying notes to the interim financial statements.

# CHOU ASIA FUND

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

Six months ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
<b>Series A</b>		
Net assets attributable to unitholders of redeemable units, beginning of period	\$ 7,408,382	\$ 6,914,008
Increase in net assets attributable to unitholders of redeemable units	690,290	379,094
Proceeds from issue of redeemable units	33,491	24
Payments on redemption of redeemable units	(1,198,471)	(308,601)
Net assets attributable to unitholders of redeemable units, end of period	\$ 6,933,692	\$ 6,984,525
<b>Series F</b>		
Net assets attributable to unitholders of redeemable units, beginning of period	\$ 8,577,252	\$ 8,411,176
Increase in net assets attributable to unitholders of redeemable units	896,045	479,786
Proceeds from issue of redeemable units	77,068	164,099
Payments on redemption of redeemable units	(582,397)	(685,757)
Reinvested distributions	—	2,512
Net assets attributable to unitholders of redeemable units, end of period	\$ 8,967,968	\$ 8,371,816
Total net assets attributable to unitholders of redeemable units, end of period	\$ 15,901,660	\$ 15,356,341

See accompanying notes to the interim financial statements.

# CHOU ASIA FUND

## Statements of Cash Flows

Six months ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
<b>Cash flows from operating activities:</b>		
Increase in net assets attributable to unitholders of redeemable units	\$ 1,586,335	\$ 858,880
Adjustments for:		
Foreign currency (gain) loss on cash and other net assets	(116,816)	141,601
Net realized loss on disposal of investments	5,588	30,151
Change in appreciation on investments	(1,425,248)	(857,250)
Change in non-cash operating working capital:		
Decrease in interest receivable	3,783	550
Increase in dividends receivable	(68,306)	(33,085)
Increase in accrued expenses	12,248	18,259
Purchase of investments	–	(15,093)
Proceeds from sales of investments	522,875	1,063,479
Net cash generated from operating activities	520,459	1,207,492
<b>Cash flows from financing activities:</b>		
Reinvested distributions	–	2,512
Proceeds from redeemable units issued	110,559	216,833
Amount paid on redemption of redeemable units	(1,780,868)	(994,358)
Net cash used in financing activities	(1,670,309)	(775,013)
Foreign currency gain (loss) on cash and other net assets	116,816	(141,601)
(Decrease) increase in cash and cash equivalents	(1,033,034)	290,878
Cash and cash equivalents, beginning of period	5,263,238	4,969,307
Cash and cash equivalents, end of period	\$ 4,230,204	\$ 5,260,185
<b>Supplemental information:</b>		
Interest received	\$ 83,618	\$ 73,446
Dividends received, net of withholding taxes	61,295	219,292
Security lending income received	62	204

See accompanying notes to the interim financial statements.



# CHOU ASIA FUND

## Schedule of Investments

June 30, 2024 (Unaudited)

	Number of securities	Cost	Fair value
<b>Equities*</b>			
AJIS Company Limited	30,400	\$ 213,157	\$ 643,644
Alibaba Group Holding Limited, ADR	3,400	406,470	334,899
BYD Electronic (International) Company Limited	618,000	149,881	4,222,375
Capital A Berhad	650,000	670,997	162,107
China Yuchai International Limited	73,364	1,242,575	913,327
Consun Pharmaceutical Group Limited	279,000	209,880	271,758
IDFC Limited	1,010,000	750,376	2,024,191
Postal Savings Bank of China Company Limited	456,000	401,912	365,876
Shriram Finance Limited	51,642	942,551	2,466,726
Tencent Holdings Limited	4,600	320,965	300,104
<b>Total long</b>		<b>5,308,764</b>	<b>11,705,007</b>
Total investments		5,308,764	11,705,007
Transaction costs		(12,501)	–
<b>Portfolio total</b>		<b>\$ 5,296,263</b>	<b>\$ 11,705,007</b>

\* Common shares unless indicated otherwise

See accompanying notes to the interim financial statements.

# CHOU ASIA FUND

## Discussion of Financial Risk Management

Six months ended June 30, 2024 and 2023 (Unaudited)

---

### **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 73.61% of the Fund's net assets held at June 30, 2024 were publicly traded equities (December 31, 2023 – 64.30%). If equity prices on the exchange had increased or decreased by 5% as at June 30, 2024, the net assets of the Fund would have increased or decreased by approximately \$585,250 or 3.68% (December 31, 2023 – \$513,967 or 3.22%) 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

Six months ended June 30, 2024 and 2023 (Unaudited)

### Financial risk management (continued):

#### (b) Foreign currency risk:

Currencies to which the Fund had exposure as at June 30, 2024 and December 31, 2023 expressed in CAD are as follows:

June 30, 2024	Investments	Cash and cash equivalents	Net other assets and liabilities	Total	Percentage of net asset value
Hong Kong dollar (HKD)	\$ 5,160,114	\$ 209,653	\$ 64,039	\$ 5,433,806	34.2%
United States dollar (USD)	\$ 1,248,226	\$ 2,131,774	\$ 40,476	\$ 3,420,476	21.5%
Indian Rupee (₹)	\$ 4,490,916	\$ 365,062	\$ -	\$ 4,855,978	30.5%
New Zealand dollar (NZD)	\$ -	\$ 1,275,242	\$ -	\$ 1,275,242	8.0%
Japanese yen (¥)	\$ 643,644	\$ 86,349	\$ 255	\$ 730,248	4.6%
Malaysian Ringgit (MYR)	\$ 162,107	\$ -	\$ -	\$ 162,107	1.0%

December 31, 2023	Investments	Cash and cash equivalents	Net 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 June 30, 2024, if the Canadian dollar had strengthened or weakened by 1% in relation to all currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$158,779 (December 31, 2023 – \$159,731).

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

**CHOU EUROPE FUND**  
(unaudited)

August 16, 2024

Dear Unitholders of Chou Europe Fund,

The net asset value per unit (“NAVPU”) of a Series A unit of Chou Europe Fund at June 30, 2024 was \$11.61 compared to \$11.41 at December 31, 2023, an increase of 1.7%; during the same period, the MSCI AC (Morgan Stanley Capital International All Country) Europe Total Return Index in Canadian dollars increased by 10.3%. In U.S. dollars, a Series A unit of Chou Europe Fund was down 1.5% while the MSCI AC Europe Total Return Index increased by 6.5%.

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

<b>June 30, 2024 (Series A)</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
Chou Europe Fund (\$CAN)	14.1%	13.8%	14.2%	2.4%	6.8%
MSCI AC Europe TR (\$CAN)	16.5%	7.2%	8.1%	7.1%	8.5%
Chou Europe Fund (\$US)	10.4%	10.1%	13.2%	-0.1%	5.7%
MSCI AC Europe TR (\$US)	12.7%	3.8%	7.2%	4.4%	7.3%

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 First Six-Month Results**

The only advancer in the first half of 2024 was the equity holding of Prosus NV. The major decliners in the period were the equity holdings of Stellantis NV and Ryanair Holdings PLC.

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

During the period, the Fund did not reduce any of its holdings in the portfolio.

The Fund initiated the investment in EXOR NV.

The Fund did not enter into any forward currency contracts for pounds sterling or euros in the first half of 2024.

The Fund also had no covered call options in its portfolio as at June 30, 2024.

## **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, 2022:

“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 June 30, 2024, Prosus repurchased 368,176,187 shares at an average price of EUR 48.30 per share for a total consideration of EUR 17.8 billion (US\$18.8 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 current market capitalization of Stellantis is at approximately EUR 42 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 announced the third tranche starting in August 2024 covering a maximum amount of up to EUR 1.0 billion.

## **Large Cash Position**

Also, the Fund's cash position was approximately 22.3% of net assets as at June 30, 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**

**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 2023 IRC Annual Report is available on our website [www.choufunds.com](http://www.choufunds.com).

As of August 16, 2024, the NAVPU of a Series A unit of the Fund was \$10.48 and the cash position was approximately 25.9% of net assets. The Fund is down 8.2% from the beginning of the year. In U.S. dollars, it is down 11.1%.

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

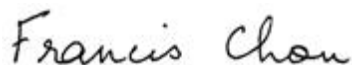
## Statements of Financial Position

June 30, 2024 (Unaudited) and December 31, 2023

	June 30, 2024	December 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 718,590	\$ 1,024,358
Investments (note 8)	2,510,311	2,257,827
Receivable for redeemable units subscribed	2,001	5,000
Interest receivable	687	1,146
Dividends receivable	769	—
Total assets	3,232,358	3,288,331
<b>Liabilities</b>		
Current liabilities:		
Accrued expenses	6,802	7,342
Total liabilities	6,802	7,342
Net assets attributable to unitholders of redeemable units	\$ 3,225,556	\$ 3,280,989
Net assets attributable to unitholders of redeemable units:		
Series A	\$ 1,139,707	\$ 1,299,064
Series F	2,085,849	1,981,925
	\$ 3,225,556	\$ 3,280,989
Number of redeemable units outstanding (note 4):		
Series A	98,150	113,823
Series F	174,842	169,026
Net assets attributable to unitholders of redeemable units per unit:		
Canadian dollars:		
Series A	\$ 11.61	\$ 11.41
Series F	11.93	11.73
U.S. dollars:		
Series A	8.49	8.61
Series F	8.72	8.85

See accompanying notes to the interim financial statements.

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

  
\_\_\_\_\_

  
\_\_\_\_\_

# CHOU EUROPE FUND

## Statements of Comprehensive Income

Six months ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
<b>Income:</b>		
Interest for distribution purposes and other	\$ 18,289	\$ 15,869
Dividends	72,969	59,957
Securities lending income (note 7)	3,983	200
Foreign currency gain (loss) on cash and other net assets	21,145	(2,505)
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:		
Net realized gain on investments	2,425	2,833
Change in unrealized (depreciation) appreciation on investments	(33,603)	544,785
	85,208	621,139
<b>Expenses:</b>		
Management fees (note 5(a))	–	–
Custodian fees	5,137	4,551
Audit	2,224	2,212
Filing fees	1,501	541
Independent review committee fees	43	–
FundSERV fees	364	362
Legal fees	–	118
Transaction costs (note 6)	757	–
Foreign withholding taxes	10,491	9,017
Other	1,115	931
	21,632	17,732
Increase in net assets attributable to unitholders of redeemable units	\$ 63,576	\$ 603,407
Increase in net assets attributable to unitholders of redeemable units per Series:		
Series A	\$ 32,481	\$ 273,905
Series F	31,095	329,502
	\$ 63,576	\$ 603,407
Average number of redeemable units outstanding for the period for the Series:		
Series A	109,489	143,104
Series F	170,080	169,792
Increase in net assets attributable to unitholders of redeemable units per unit:		
Series A	\$ 0.30	\$ 1.91
Series F	0.18	1.94

See accompanying notes to the interim financial statements.



# CHOU EUROPE FUND

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

Six months ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
<b>Series A</b>		
Net assets attributable to unitholders of redeemable units, beginning of period	\$ 1,299,064	\$ 1,102,160
Increase in net assets attributable to unitholders of redeemable units	32,481	273,905
Proceeds from issue of redeemable units	35,000	300,719
Payments on redemption of redeemable units	(226,838)	(108,424)
Net assets attributable to unitholders of redeemable units, end of period	\$ 1,139,707	\$ 1,568,360
<b>Series F</b>		
Net assets attributable to unitholders of redeemable units, beginning of period	\$ 1,981,925	\$ 1,329,171
Increase in net assets attributable to unitholders of redeemable units	31,095	329,502
Proceeds from issue of redeemable units	355,072	632,681
Payments on redemption of redeemable units	(282,243)	(468,191)
Net assets attributable to unitholders of redeemable units, end of period	\$ 2,085,849	\$ 1,823,163
Total net assets attributable to unitholders of redeemable units, end of period	\$ 3,225,556	\$ 3,391,523

See accompanying notes to the interim financial statements.

# CHOU EUROPE FUND

## Statements of Cash Flows

Six months ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
<b>Cash flows from operating activities:</b>		
Increase in net assets attributable to unitholders of redeemable units	\$ 63,576	\$ 603,407
Adjustments for:		
Foreign currency (gain) loss on cash and other net assets	(21,145)	2,505
Net realized gain on investments	(2,425)	(2,833)
Change in unrealized depreciation (appreciation) on investments	33,603	(544,785)
Change in non-cash operating working capital:		
Decrease (increase) in interest receivable	459	(269)
(Increase) decrease in dividends receivable	(769)	491
(Decrease) increase in accrued expenses	(540)	715
Purchase of investments	(286,490)	–
Proceeds from sales of investments	2,828	2,648
Net cash (used in) generated from operating activities	(210,903)	61,879
<b>Cash flows from financing activities:</b>		
Proceeds from redeemable units issued	393,071	933,400
Amount paid on redemption of redeemable units	(509,081)	(576,615)
Net cash (used in) generated from financing activities	(116,010)	356,785
Foreign currency gain (loss) on cash and other net assets	21,145	(2,505)
(Decrease) increase in cash and cash equivalents	(305,768)	416,159
Cash and cash equivalents, beginning of period	1,024,358	243,312
Cash and cash equivalents, end of period	\$ 718,590	\$ 659,471
<b>Supplemental information:</b>		
Interest received, net of withholding tax	\$ 18,748	\$ 15,600
Dividends received, net of withholding taxes	61,709	51,431
Security lending income received	3,983	200

See accompanying notes to the interim financial statements.

# CHOU EUROPE FUND

## Schedule of Investments

June 30, 2024 (Unaudited)

	Number of securities	Cost	Fair value
<b>Equities*</b>			
Exor NV	2,250	\$ 287,247	\$ 322,069
Liberty Global PLC, Class 'A'	12,000	373,934	286,141
Prosus NV	7,410	319,086	361,087
Ryanair Holdings PLC, ADR	2,375	68,568	378,327
Stellantis NV	30,000	583,249	814,674
Wizz Air Holdings PLC	9,000	303,145	348,013
Total long		1,935,229	2,510,311
Total investments		1,935,229	2,510,311
Transaction costs		(5,259)	–
Portfolio total		\$ 1,929,970	\$ 2,510,311

\* Common shares unless indicated otherwise

See accompanying notes to the interim financial statements.

# CHOU EUROPE FUND

## Discussion of Financial Risk Management

Six months ended June 30, 2024 and 2023 (Unaudited)

### 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 77.83% of the Fund's net assets held at June 30, 2024 were publicly traded equities (December 31, 2023 – 68.83%). If equity prices on the exchange had increased or decreased by 5% as at June 30, 2024, the net assets of the Fund would have increased or decreased by approximately \$125,516 or 3.89% (December 31, 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 June 30, 2024 and December 31, 2023 expressed in CAD are as follows:

June 30, 2024	Investments	Cash and cash equivalents	Net other assets and liabilities	Total	Percentage of net asset value
United States dollar (USD)	\$ 1,827,155	\$ 424,788	\$ 1,283	\$ 2,253,226	69.9%
Sterling pound (£)	\$ -	\$ 3,252	\$ -	\$ 3,252	0.1%
Euro currency (€)	\$ 683,156	\$ 4,105	\$ -	\$ 687,261	21.3%

# CHOU EUROPE FUND

## Discussion of Financial Risk Management

Six months ended June 30, 2024 and 2023 (Unaudited)

---

### Financial risk management (continued):

#### (b) Foreign currency risk (continued):

---

<b>December 31, 2023</b>	<b>Investments</b>	<b>Cash and cash equivalents</b>	<b>Net other assets and liabilities</b>	<b>Total</b>	<b>Percentage of net asset value</b>
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 and dividend receivable that are denominated in foreign currencies.

As at June 30, 2024, if the Canadian dollar had strengthened or weakened by 1% in relation to all currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$29,437 (December 31, 2023 – \$30,870).

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

## CHOU BOND FUND

(unaudited)

August 16, 2024

Dear Unitholders of Chou Bond Fund,

The net asset value per unit (“NAVPU”) of a Series A unit of Chou Bond Fund at June 30, 2024 was \$9.27 compared to \$8.66 at December 31, 2023, an increase of 7.1%; during the same period, Barclays U.S. Corporate High Yield Index (\$CAN) increased by 6.5% in Canadian dollars. In U.S. dollars, a Series A unit of Chou Bond Fund returned 3.7% while Barclays U.S. Corporate High Yield Index increased by 2.6%.

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

June 30, 2024 (Series A)	1 Year	3 Years	5 Years	10 Years	15 Years
Chou Bond Fund (\$CAN)	4.8%	8.3%	12.3%	5.8%	8.1%
Barclays’ U.S. High Yield (\$CAN)	14.2%	5.1%	4.9%	7.0%	8.6%
Chou Bond Fund (\$US)	1.5%	4.8%	11.4%	3.2%	7.0%
Barclays’ U.S High Yield (\$US)	10.5%	1.7%	3.9%	4.3%	7.4%

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 First Six-Month Results

The major advancers in the first half of 2024 were the equity holding of EXCO Resources Inc., and the debt holding of Bausch Health Companies Inc., 14.000% due October 15, 2030 and Bausch Health Companies Inc., 11.000% due September 30, 2028.

The decliners in the year were the fixed income holdings of Lumen Technologies Inc., MBIA Global Funding LLC, Zero Coupon, due December 15, 2031, and 1375209 BC Ltd., 9.000%, due January 30, 2028.

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

The Fund did not enter into any foreign currency contracts during the period, and had no covered call options in its portfolio as at June 30, 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 1<sup>st</sup> and Chou Bond Fund Series A is ranked 2<sup>nd</sup> against 137 funds over the 15-year period.

Another big surprise is how many funds drop off (close) over the long term. For example, as of June 30, 2024, we have 955 funds in the Global fixed income category. By the 15<sup>th</sup> year, that has dropped to 137 funds.

Fund category and rank	Performance period (number of years)				
	YTD	3	5	10	15
<b>Global fixed income, balanced:</b>					
Chou Bond Fund (Series A), rank	12	2	2	3	2
Chou Bond Fund (Series F), rank	11	1	1	1	1
Number of funds in this category	955	814	735	335	137

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\$1.8 billion (roughly US\$38 per share) based on the New York Mercantile Exchange (NYMEX) forward pricing as of December 31, 2023, and the net proved reserves were 2.9 trillion cubic feet equivalent. Its number of outstanding shares as of December 31, 2023 was 47,386,708. We estimate its EBITDA for the year ending 2024 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 June 30, 2024, the share of EXCO was valued at \$21.05 by Kroll, an independent third-party valuator.

### **Large Cash Position**

Also, the Fund’s cash and cash equivalent position was approximately 42.6% of net assets as at June 30, 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 June 30, 2024.

CREDIT DEFAULT SWAPS: None existed at June 30, 2024.

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

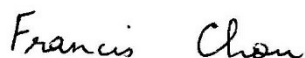
REDEMPTION FEE: We have a redemption fee of 2% if unitholders redeem their units in less than 3 months. None of this fee goes to the Fund Manager. It is put back into the Fund for the benefit of the remaining unitholders.

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 2023 IRC Annual Report is available on our website [www.choufunds.com](http://www.choufunds.com).

As of August 16, 2024, the NAVPU of a Series A unit of the Fund was \$9.45 and the cash and cash equivalent position was approximately 51.4% of net assets. The Fund is up 9.1% from the beginning of the year. In U.S. dollars, it is up 5.7%.

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

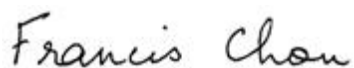
## Statements of Financial Position

June 30, 2024 (Unaudited) and December 31, 2023

	June 30, 2024	December 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 681,615	\$ 819,383
Investments (note 8)	10,158,891	9,670,952
Receivable for redeemable units subscribed	305,883	882
Interest receivable	146,735	143,793
Total assets	11,293,124	10,635,010
<b>Liabilities</b>		
Current liabilities:		
Accrued expenses	50,279	52,606
Payable for units redeemed	13,481	19,611
Total liabilities	63,760	72,217
Net assets attributable to unitholders of redeemable units	\$ 11,229,364	\$ 10,562,793
Net assets attributable to unitholders of redeemable units:		
Series A	\$ 4,510,402	\$ 4,897,057
Series F	6,718,962	5,665,736
	\$ 11,229,364	\$ 10,562,793
Number of redeemable units outstanding (note 4):		
Series A	486,468	565,642
Series F	709,017	640,839
Net assets attributable to unitholders of redeemable units per unit (note 10):		
Canadian dollars:		
Series A	\$ 9.27	\$ 8.66
Series F	9.48	8.84
U.S. dollars:		
Series A	6.78	6.53
Series F	6.93	6.67

See accompanying notes to the interim financial statements.

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





# CHOU BOND FUND

## Statements of Comprehensive Income

Six months ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
<b>Income:</b>		
Interest for distribution purposes and other	\$ 360,325	\$ 358,576
Securities lending income (Note 7)	7,803	649
Dividends	36,001	17,884
Other income	—	—
Foreign currency gain (loss) on cash and other net assets	20,669	(101,798)
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:		
Change in unrealized appreciation (depreciation) on investments	407,776	(147,561)
	832,574	127,750
<b>Expenses:</b>		
Management fees (note 5(a))	66,765	71,529
Custody fees	12,585	12,516
Audit fees	7,509	7,468
Filing fees	4,923	1,840
Independent review committee fees	146	—
FundSERV fees	1,638	1,629
Legal fees	—	405
Other expense	359	236
	93,925	95,623
Increase in net assets attributable to unitholders of redeemable units	\$ 738,649	\$ 32,127
Increase in net assets attributable to unitholders of redeemable units per Series:		
Series A	\$ 324,910	\$ 11,055
Series F	413,739	21,072
	\$ 738,649	\$ 32,127
Average number of redeemable units outstanding for the period for the Series:		
Series A	534,555	588,680
Series F	649,368	627,693
Increase in net assets attributable to unitholders of redeemable units per unit:		
Series A	\$ 0.61	\$ 0.02
Series F	0.64	0.03

See accompanying notes to the interim financial statements.

# CHOU BOND FUND

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

Six months ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
<b>Series A</b>		
Net assets attributable to unitholders of redeemable units, beginning of period	\$ 4,897,057	\$ 5,648,071
Increase in net assets attributable to unitholders of redeemable units	324,910	11,055
Proceeds from issue of redeemable units	313,310	120,628
Payments on redemption of redeemable units	(1,024,875)	(678,156)
Net assets attributable to unitholders of redeemable units, end of period	\$ 4,510,402	\$ 5,101,598
<b>Series F</b>		
Net assets attributable to unitholders of redeemable units, beginning of period	\$ 5,665,736	\$ 5,543,779
Increase in net assets attributable to unitholders of redeemable units	413,739	21,072
Proceeds from issue of redeemable units	1,485,563	953,146
Payments on redemption of redeemable units	(846,076)	(611,729)
Net assets attributable to unitholders of redeemable units, end of period	\$ 6,718,962	\$ 5,906,268
Total net assets attributable to unitholders of redeemable units, end of period	\$ 11,229,364	\$ 11,007,866

See accompanying notes to the interim financial statements.

# CHOU BOND FUND

## Statements of Cash Flows

Six months ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
<b>Cash flows from operating activities:</b>		
Increase in net assets attributable to unitholders of redeemable units	\$ 738,649	\$ 32,127
Adjustments for:		
Foreign currency (gain) loss on cash and other net assets	(20,669)	101,798
Change in unrealized (appreciation) depreciation on investments	(407,776)	147,561
Interest accretion on bond	(80,163)	(79,101)
Change in non-cash operating working capital:		
Increase in interest receivable	(2,942)	(102,196)
(Decrease) increase in accrued expenses	(2,327)	6,967
Purchase of investments	—	(7,095,517)
Net cash flows generated from (used in) operating activities	224,772	(6,988,361)
<b>Cash flows from financing activities:</b>		
Proceeds from redeemable units issued	1,493,872	1,084,175
Amount paid on redemption of redeemable units	(1,877,081)	(1,288,978)
Net cash used in financing activities	(383,209)	(204,803)
Foreign currency gain (loss) on cash and other net assets	20,669	(101,798)
Decrease in cash and cash equivalents	(137,768)	(7,294,962)
Cash and cash equivalents, beginning of period	819,383	8,089,756
Cash and cash equivalents, end of period	\$ 681,615	\$ 794,794
Supplemental information:		
Interest received, net of withholding tax	\$ 357,383	\$ 256,380
Dividend received	36,001	17,884
Security lending income received	7,803	649

See accompanying notes to the interim financial statements.

# CHOU BOND FUND

## Schedule of Investments

June 30, 2024 (Unaudited)

	Number of shares		Cost	Fair value
<b>Equities*</b>				
B Riley Financial Inc, Preferred	40,000	\$	961,502	\$ 817,546
EXCO Resources Inc.**	20,046		693,989	577,274
			1,655,491	1,394,820
<b>Bonds</b>				
1375209 BC Limited, 9.00%, January 30, 2028, Callable	183,000		348,350	241,031
Aviation Capital SA, 8.250%, October 31, 2026, Callable	778,477		832,097	969,902
Bausch Health Companies Inc., 11.000%, September 30, 2028	326,000		508,751	398,041
Bausch Health Companies Inc., 14.000%, October 15, 2030, Callable	65,000		73,373	68,915
Federal Home Loan Mortgage Corporation, 5.125%, August 22, 2025, Callable	3,000,000		4,020,450	4,098,023
Fortress Global Enterprises Inc., 9.750%, December 31, 2024, Convertible Bonds, Callable	3,659,000		2,058,513	366
Lumen Technologies Inc., 4.000%, February 15, 2027, Callable	1,000,000		1,042,617	705,189
MBIA Global Funding LLC, Zero Coupon, December 15, 2031	1,800,000		1,257,853	977,301
World Acceptance Corporation, 7.000%, November 1, 2026	1,000,000		1,061,998	1,305,303
			11,204,002	8,764,071
<b>Total long</b>			12,859,493	10,158,891
<b>Total investments</b>			12,859,493	10,158,891
<b>Transaction costs</b>			-	-
<b>Portfolio total</b>		<b>\$</b>	<b>12,859,493</b>	<b>\$</b> <b>10,158,891</b>

\* Common shares unless indicated otherwise

\*\*Shares received from debt restructuring

See accompanying notes to the interim financial statements.

# CHOU BOND FUND

## Discussion of Financial Risk Management

Six months ended June 30, 2024 and 2023 (Unaudited)

---

### 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 trades. 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 June 30, 2024, the Fund invested 35.27% of its net assets in non-investment grade debt instruments (December 31, 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 June 30, 2024, the Fund invested approximately 10.85% (December 31, 2023 – 11.84%) of its net assets in non-rated bonds.

# CHOU BOND FUND

## Discussion of Financial Risk Management

Six months ended June 30, 2024 and 2023 (Unaudited)

---

### Financial risk management (continued):

#### (b) Interest rate risk (continued):

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:

	June 30, 2024	December 31, 2023
Less than 1 year	\$ 366	\$ -
1 - 3 years	7,078,417	6,043,491
3 - 5 years	639,072	1,408,133
Greater than 5 years	1,046,216	1,061,399

As at June 30, 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 period would have amounted to approximately \$58,335 (December 31, 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 7.28% (December 31, 2023 – 6.72%) of the Fund's net assets held at June 30, 2024 were publicly traded equities. If equity prices on the exchange had increased or decreased by 5% as at June 30, 2024, the net assets of the Fund would have increased or decreased by approximately \$40,877 or 0.36% (December 31, 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.

# CHOU BOND FUND

## Discussion of Financial Risk Management

Six months ended June 30, 2024 and 2023 (Unaudited)

---

### Financial risk management (continued):

#### (d) Foreign currency risk:

Currencies to which the Fund had exposure as at June 30, 2024 and December 31, 2023 expressed in CAD are as follows:

---

<b>June 30, 2024</b>	<b>Investments</b>	<b>Cash and cash equivalents</b>	<b>Other assets and liabilities</b>	<b>Total</b>	<b>Percentage of net asset value</b>
United States dollar (USD)	\$ 10,158,525	\$ 152,552	\$ 146,416	\$ 10,457,493	93.1%

---

---

<b>December 31, 2023</b>	<b>Investments</b>	<b>Cash and cash equivalents</b>	<b>Other assets and liabilities</b>	<b>Total</b>	<b>Percentage of net asset value</b>
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 June 30, 2024, if the Canadian dollar had strengthened or weakened by 1% in relation to all currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$104,575 (December 31, 2023 – \$104,378).

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



## CHOU RRSP FUND

(unaudited)

August 16, 2024

Dear Unitholders of Chou RRSP Fund,

The net asset value per unit (“NAVPU”) of a Series A unit of Chou RRSP Fund at June 30, 2024 was \$34.60 compared to \$35.66 at December 31, 2023, a decrease of 3.0%; during the same period, the S&P/TSX Total Return Index increased by 6.1% in Canadian dollars. In U.S. dollars, a Series A unit of Chou RRSP Fund was down 6.0% while the S&P/TSX Total Return Index increased by 2.4%.

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

June 30, 2024 (Series A)	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Chou RRSP Fund (\$CAN)	-10.1%	-1.9%	6.6%	2.5%	8.4%	4.4%
S&P/TSX (\$CAN)	12.2%	6.1%	9.3%	7.0%	8.3%	7.9%
Chou RRSP Fund (\$US)	-12.9%	-5.1%	5.7%	0.0%	7.2%	4.3%
S&P/TSX (\$US)	8.5%	2.7%	8.4%	4.3%	7.1%	7.7%

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 First Six-Month Results

The largest advancers were the equity holdings of EXCO Resources Inc., TWC Enterprises Ltd., and Methanex Corporation. The major decliners in the period were the equity holdings of Canfor Pulp Products Inc., Interfor Corporation, Magna International Inc., Reitmans (Canada) Limited, TVA Group Inc., and Parex Resources Inc.

During the period, the Fund eliminated its holdings in Hertz Global Holdings Inc, BlackBerry Limited and Bausch Health Companies Inc.

The Fund increased its holding in Class A shares of Reitmans (Canada) Limited.

The Fund initiated investments in Imperial Oil Limited, Morguard Corporation and Trican Well Service Ltd.

The Fund also had no covered call options in its portfolio as at June 30, 2024.

## 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.

So, we asked Fundata to supply the data and found the results of Chou RRSP Fund to be a huge surprise over the long term! It is ranked 1<sup>st</sup> over the 20-year period and beyond. 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.

Fund category and rank	Performance period (number of years)					
	YTD	15	20	25	30	35
<b>Canadian-focused small- and mid-cap equity:</b>						
Chou RRSP Fund (Series A), rank	54	17	1	1	1	1
Number of funds in this category	54	20	< 10	< 10	< 10	< 10

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\$1.8 billion (roughly US\$38 per share) based on the New York Mercantile Exchange (NYMEX) forward pricing as of December 31, 2023, and the net proved reserves were 2.9 trillion cubic feet equivalent. Its number of outstanding shares as of December 31, 2023 was 47,386,708. We estimate its EBITDA for the year ending 2024 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 June 30, 2024, the share of EXCO was valued at \$21.05 by Kroll, an independent third-party valuator.

#### **Large Cash Position**

Also, the Fund’s cash position was approximately 43.3% of net assets as at June 30, 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.

### **Changes to the tax rate on realized capital gains/losses**

On April 16, 2024, the Federal Budget for 2024 announced an increase in the capital gains inclusion rate to 66.7% (up from 50%) for individuals, corporations, and trusts. However, to offer some relief to individuals, the rate will stay at 50% for capital gains up to \$250,000 per year. This adjustment means that you, your corporation, or trust may face higher taxes on the sale of assets with significant accrued gains. The new rate will apply to capital gains realized on or after June 25, 2024.

As a result, we took the opportunity to sell Hertz Global Holding warrants, Bausch Health shares and Blackberry shares in which we had unrealized losses after June 25th.

Another reason for selling losers is to avoid the pitfalls resulting from sunk cost bias. When one buys a stock, it is hard to accept that it was a mistake when it goes down. One can come up with many reasons (rationalizing) why it is still a cheap stock and why it is a matter of time before we hit the jackpot. When one sells them, one can always repurchase them after a month. However, when you don't own the stock, you come up with a fresh perspective and valuation that does not cloud one's judgment.

### **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.

### **Other Matters**

FOREIGN CURRENCY CONTRACTS: None existed at June 30, 2024.

CREDIT DEFAULT SWAPS: None existed at June 30, 2024.

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

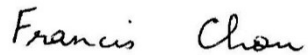
REDEMPTION FEE: We have a redemption fee of 2% if unitholders redeem their units in less than 3 months. None of this fee goes to the Fund Manager. It is put back into the Fund for the benefit of the remaining unitholders.

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 2023 IRC Annual Report is available on our website [www.choufunds.com](http://www.choufunds.com).

As of August 16, 2024, the NAVPU of a Series A unit of the Fund was \$34.13 and the cash position was approximately 43.9% of net assets. The Fund is down 4.3% from the beginning of the year. In U.S. dollars, it is down 7.3%.

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,

A handwritten signature in cursive script that reads "Francis Chou".

Francis Chou  
Fund Manager

# CHOU RRSP FUND

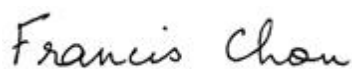
## Statements of Financial Position

June 30, 2024 (Unaudited) and December 31, 2023

	June 30, 2024	December 31, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 13,565,999	\$ 14,462,317
Investments (note 8)	17,830,759	18,935,765
Derivatives (note 8)	–	1,022,699
Interest receivable	4,642	16,744
Dividends receivable	8,740	5,740
Total assets	31,410,140	34,443,265
<b>Liabilities</b>		
Current liabilities:		
Accrued expenses	42,296	55,633
Payable for units redeemed	40,733	–
Total liabilities	83,029	55,633
Net assets attributable to unitholders of redeemable units	\$ 31,327,111	\$ 34,387,632
Net assets attributable to unitholders of redeemable units:		
Series A	\$ 17,071,997	\$ 18,173,036
Series F	14,255,114	16,214,596
	\$ 31,327,111	\$ 34,387,632
Number of redeemable units outstanding (note 4):		
Series A	493,475	509,615
Series F	406,339	449,653
Net assets attributable to unitholders of redeemable units per unit:		
Canadian dollars:		
Series A	\$ 34.60	\$ 35.66
Series F	35.08	36.06
U.S. dollars:		
Series A	25.29	26.91
Series F	25.64	27.21

See accompanying notes to the interim financial statements.

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





# CHOU RRSP FUND

## Statements of Comprehensive (Loss) Income

Six months ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
<b>Income:</b>		
Interest for distribution purposes and other	\$ 308,628	\$ 260,344
Dividends	133,878	118,384
Securities lending income (note 7)	280	4,572
Foreign currency gain (loss) on cash and other net assets	420,603	(287,138)
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	(5,962,741)	645,147
Net realized loss on investments	(1,197,087)	–
Change in unrealized appreciation on investments	5,069,444	1,491,031
Change in unrealized appreciation on derivatives	640,436	460,931
	(586,559)	2,693,271
<b>Expenses:</b>		
Management fees (note 5(a))	244,525	284,482
Custodial fees	43,559	36,053
Audit	19,462	19,259
Filing fees	16,089	6,262
Independent review committee fees	475	–
FundSERV fees	2,642	2,445
Legal fees	1,214	1,249
Transaction costs (note 6)	19,761	2,858
Other expenses	1,088	799
	348,815	353,407
(Decrease) increase in net assets attributable to unitholders of redeemable units	\$ (935,374)	\$ 2,339,864
(Decrease) increase in net assets attributable to unitholders of redeemable units per Series:		
Series A	\$ (528,319)	\$ 1,230,093
Series F	(407,055)	1,109,771
	\$ (935,374)	\$ 2,339,864
Average number of redeemable units outstanding for the period for the Series:		
Series A	501,369	547,042
Series F	425,710	466,643
(Decrease) increase in net assets attributable to unitholders of redeemable units per unit:		
Series A	\$ (1.05)	\$ 2.25
Series F	(0.96)	2.38

See accompanying notes to the interim financial statements.

# CHOU RRSP FUND

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

Six months ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
<b>Series A</b>		
Net assets attributable to unitholders of redeemable units, beginning of period	\$ 18,173,036	\$ 20,165,056
(Decrease) increase in net assets attributable to unitholders of redeemable units	(528,319)	1,230,093
Proceeds from issue of redeemable units	223,148	57,050
Payments on redemption of redeemable units	(795,868)	(914,430)
Net assets attributable to unitholders of redeemable units, end of period	\$ 17,071,997	\$ 20,537,769
<b>Series F</b>		
Net assets attributable to unitholders of redeemable units, beginning of period	\$ 16,214,596	\$ 17,126,461
(Decrease) increase in net assets attributable to unitholders of redeemable units	(407,055)	1,109,771
Proceeds from issue of redeemable units	89,276	406,005
Payments on redemption of redeemable units	(1,641,703)	(472,146)
Net assets attributable to unitholders of redeemable units, end of period	\$ 14,255,114	\$ 18,170,091
Total net assets attributable to unitholders of redeemable units, end of period	\$ 31,327,111	\$ 38,707,860

See accompanying notes to the interim financial statements.

# CHOU RRSP FUND

## Statements of Cash Flows

Six months ended June 30, 2024 and 2023 (Unaudited)

	2024	2023
<b>Cash flows from operating activities:</b>		
(Decrease) increase in net assets attributable to unitholders of redeemable units	\$ (935,374)	\$ 2,339,864
Adjustments for:		
Foreign currency (gain) loss on cash and other net assets	(420,603)	287,138
Net realized loss (gain) on disposal of investments and derivatives	7,159,828	(644,693)
Change in unrealized appreciation on investments and derivatives	(5,709,880)	(1,952,416)
Change in non-cash operating working capital:		
Decrease in interest receivable	12,102	2,546
Increase in dividends receivable	(3,000)	–
Decrease in accrued expenses	(13,337)	(548)
Purchase of investments	(2,560,107)	(1,705,883)
Proceeds from sales of investments	3,237,864	1,078,424
Net cash generated from (used in) operating activities	767,493	(595,568)
<b>Cash flows from financing activities:</b>		
Proceeds from redeemable units issued	312,424	463,055
Amount paid on redemption of redeemable units	(2,396,838)	(1,344,768)
Net cash used in financing activities	(2,084,414)	(881,713)
Foreign currency gain (loss) on cash and other net assets	420,603	(287,138)
Decrease in cash and cash equivalents	(896,318)	(1,764,419)
Cash and cash equivalents, beginning of period	14,462,317	14,922,825
Cash and cash equivalents, end of period	\$ 13,565,999	\$ 13,158,406
<b>Supplemental information:</b>		
Interest received, net of withholding tax	\$ 320,730	\$ 262,890
Dividends received, net of withholding tax	130,878	118,384
Security lending income received	280	4,572

See accompanying notes to the interim financial statements.



# CHOU RRSP FUND

## Schedule of Investments

June 30, 2024 (Unaudited)

	Number of securities	Cost	Fair value
<b>Equities*</b>			
Canfor Pulp Products Inc.	293,900	\$ 836,324	\$ 311,534
CI Financial Corporation	28,700	375,660	413,280
EXCO Resources Inc.	114,371	2,373,080	3,293,593
Imperial Oil Limited	5,000	375,340	466,400
Interfor Corporation	67,000	463,697	1,106,840
Linamar Corporation	24,000	1,332,040	1,595,760
Magna International Inc., Class 'A'	10,000	624,709	573,213
Methanex Corporation	4,000	198,000	264,200
Morguard Corporation	5,800	649,403	644,786
Onex Corporation	13,900	925,774	1,292,978
Parex Resources Inc.	60,000	1,116,400	1,315,200
Reitmans (Canada) Limited	526,100	1,993,539	1,346,816
Reitmans (Canada) Limited, Class 'A'	429,100	1,083,106	1,023,403
Trican Well Service Limited	100,000	403,650	482,000
TVA Group Inc.	53,028	766,720	62,043
TWC Enterprises Limited	202,539	1,168,826	3,638,613
		14,686,268	17,830,659
<b>Bonds</b>			
Fortress Global Enterprises Inc., 9.750%, December 31, 2024, Convertible Bonds, Callable	1,000,000	780,000	100
Total investments		15,466,268	17,830,759
Transaction costs		(81,600)	-
Portfolio total		\$ 15,384,668	\$ 17,830,759

\* Common shares unless indicated otherwise

See accompanying notes to the interim financial statements.

# CHOU RRSP FUND

## Discussion of Financial Risk Management

Six months ended June 30, 2024 and 2023 (Unaudited)

---

### Investment objective and strategies:

Chou RRSP 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 June 30, 2024, the Fund did not invest any of its net assets in non-investment grade debt instruments (December 31, 2023 – \$Nil). 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 June 30, 2024, the Fund invested approximately 0.0% (December 31, 2023 – 0.00%) of its net assets in non-rated debt instruments.

#### (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:

	June 30, 2024	December 31, 2023
Less than 1 year	\$ 100	\$ 100
1 - 3 years	–	–
3 - 5 years	–	–
Greater than 5 years	–	–

As at June 30, 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 period would have amounted to approximately \$nil (December 31, 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)

Six months ended June 30, 2024 and 2023 (Unaudited)

### 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 46.44% (December 31, 2023 – 50.61%) of the Fund's net assets held at June 30, 2024 were publicly traded equities. If equity prices on the exchange had increased or decreased by 5% as at June 30, 2024, the net assets of the Fund would have increased or decreased by approximately \$726,853 or 2.32% (December 31, 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 June 30, 2024 and December 31, 2023 expressed in CAD are as follows:

<b>June 30, 2024</b>	<b>Investments and derivatives</b>	<b>Cash and cash equivalents</b>	<b>Net other assets and liabilities</b>	<b>Total</b>	<b>Percentage of net asset value</b>
United States dollar (USD)	\$ 3,866,806	\$ 13,346,873	\$ 4,507	\$ 17,218,186	55.0%

<b>December 31, 2023</b>	<b>Investments and derivatives</b>	<b>Cash and cash equivalents</b>	<b>Net other assets and liabilities</b>	<b>Total</b>	<b>Percentage of net asset value</b>
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, derivatives and payable for units redeemed that are denominated in foreign currencies.

As at June 30, 2024, if the Canadian dollar had strengthened or weakened by 1% in relation to all currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$172,182 (December 31, 2023 – \$188,311).

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

# CHOU FUNDS

## Notes to the Unaudited Interim Financial Statements

Six months ended June 30, 2024 and 2023 (Unaudited)

---

### 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 unaudited interim financial statements (the "financial statements") have been prepared in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting ("IAS 34") and as required by Canadian securities legislation and the Canadian Accounting Standards Board. These financial statements are presented in Canadian dollars, which is the Funds' functional currency.

The unaudited interim financial statements were authorized for issue by the Manager on August 29, 2024.

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

#### (a) Financial instruments:

The Funds applied IFRS 9, Financial Instruments ("IFRS 9"). The standard requires financial assets to be classified as 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 Unaudited Interim Financial Statements (continued)

Six months ended June 30, 2024 and 2023 (Unaudited)

---

### 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.

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 their last evaluated bid price and their 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 Unaudited Interim Financial Statements (continued)

Six months ended June 30, 2024 and 2023 (Unaudited)

---

### 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 their 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 Unaudited Interim Financial Statements (continued)

Six months ended June 30, 2024 and 2023 (Unaudited)

---

### 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 Unaudited Interim Financial Statements (continued)

Six months ended June 30, 2024 and 2023 (Unaudited)

---

### 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 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 Unaudited Interim Financial Statements (continued)

Six months ended June 30, 2024 and 2023 (Unaudited)

---

### 2. Material accounting policies (continued):

#### (m) Valuation of Fund 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 Fund:

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 unitholders 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 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 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 Unaudited Interim Financial Statements (continued)

Six months ended June 30, 2024 and 2023 (Unaudited)

---

### 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);
- Deferred Tax related to Assets and Liabilities from a Single Transaction (Amendments to IAS12);
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2); and
- Definition of Accounting Estimates (Amendments to IAS 8).

#### Future accounting policy changes

Certain pronouncements were issued by the IASB or IFRIC. Many are not applicable or do not have a significant impact on the Company 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);
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

### 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 Unaudited Interim Financial Statements (continued)

Six months ended June 30, 2024 and 2023 (Unaudited)

---

### 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 Unaudited Interim Financial Statements (continued)

Six months ended June 30, 2024 and 2023 (Unaudited)

---

### 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 period 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.

# CHOU FUNDS

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

Six months ended June 30, 2024 and 2023 (Unaudited)

### 4. Holders of redeemable units (continued):

	Series A		Series F	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<b>Chou Associates Fund</b>				
Redeemable units outstanding, beginning of period	691,639	770,337	294,530	279,359
Add redeemable units issued during the period	340	1,776	7,855	4,160
Deduct redeemable units redeemed during the period	(45,654)	(24,360)	(15,549)	(12,163)
Redeemable units outstanding before income distribution	646,325	747,753	286,836	271,356
Add redeemable units issued on reinvested income	–	–	–	5
Deduct redeemable units redeemed during the period	–	–	–	–
Redeemable units outstanding, end of period	646,325	747,753	286,836	271,361
<b>Chou Asia Fund</b>				
Redeemable units outstanding, beginning of period	305,074	330,014	344,150	391,855
Add redeemable units issued during the period	1,373	–	3,154	7,497
Deduct redeemable units redeemed during the period	(48,757)	(14,572)	(23,470)	(31,462)
Redeemable units outstanding before income distribution	257,690	315,442	323,834	367,890
Add redeemable units issued on reinvested income	–	–	–	117
Deduct redeemable units redeemed during the period	–	–	–	–
Redeemable units outstanding, end of period	257,690	315,442	323,834	368,007
<b>Chou Europe Fund</b>				
Redeemable units outstanding, beginning of period	113,823	132,133	169,026	155,116
Add redeemable units issued during the period	2,863	29,565	28,381	61,115
Deduct redeemable units redeemed during the period	(18,536)	(10,688)	(22,565)	(45,350)
Redeemable units outstanding before income distribution	98,150	151,010	174,842	170,881
Add redeemable units issued on reinvested income	–	–	–	–
Deduct redeemable units redeemed during the period	–	–	–	–
Redeemable units outstanding, end of period	98,150	151,010	174,842	170,881

# CHOU FUNDS

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

Six months ended June 30, 2024 and 2023 (Unaudited)

### 4. Holders of redeemable units (continued):

	Series A		Series F	
	June 30,		June 30,	
	2024	2023	2024	2023
<b>Chou Bond Fund</b>				
Redeemable units outstanding,				
beginning of period	565,642	605,477	640,839	582,040
Add redeemable units issued during the period	34,902	12,899	161,633	100,142
Deduct redeemable units redeemed during the period	(114,076)	(72,840)	(93,455)	(64,148)
Redeemable units outstanding before				
income distribution	486,468	545,536	709,017	618,034
Add redeemable units issued on reinvested income	–	–	–	–
Deduct redeemable units redeemed during the period	–	–	–	–
Redeemable units outstanding, end of period	486,468	545,536	709,017	618,034
<b>Chou RRSP Fund</b>				
Redeemable units outstanding,				
beginning of period	509,615	556,520	449,653	467,565
Add redeemable units issued during the period	6,430	1,429	2,480	10,491
Deduct redeemable units redeemed during the period	(22,570)	(24,063)	(45,794)	(12,119)
Redeemable units outstanding before				
income distribution	493,475	533,886	406,339	465,937
Add redeemable units issued on reinvested income	–	–	–	–
Deduct redeemable units redeemed during the period	–	–	–	–
Redeemable units outstanding, end of period	493,475	533,886	406,339	465,937

### 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.

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

	June 30,	
	2024	2023
Chou Associates Fund	\$ 1,257,207	\$ 1,271,408
Chou Asia Fund	109,748	109,325
Chou Europe Fund	–	–
Chou Bond Fund	66,765	71,529
Chou RRSP Fund	244,525	284,482

# CHOU FUNDS

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

Six months ended June 30, 2024 and 2023 (Unaudited)

### 5. Related party transactions (continued):

#### (a) Management fees (continued):

The Manager has elected to reduce the management fees for the Chou Europe Fund in August 2022 under the Simplified Prospectus and has not charged the management fee for the Chou Europe Fund for the first six months of the 2024 fiscal period. The management fee rates presented above relate to the contractual rates prior to any reduction. Management fees and related reductions are presented on a net basis in the statements of comprehensive income (loss).

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

	June 30, 2024	December 31, 2023
Chou Associates Fund	\$ 174,970	\$ 179,832
Chou Asia Fund	15,568	16,745
Chou Europe Fund	–	–
Chou Bond Fund	9,380	9,751
Chou RRSP Fund	32,661	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 June 30, 2024, the following amounts of Series A redeemable units were held by the Manager, its officers, and directors. No amounts of Series F redeemable units were held by the Manager, its officers, and directors.

	June 30, 2024	December 31, 2023
Chou Associates Fund	74,704	74,721
Chou Asia Fund	–	–
Chou Europe Fund	22,051	19,188
Chou Bond Fund	–	–
Chou RRSP Fund	43,791	43,791

#### (i) Chou Associates Fund:

As at June 30, 2024, 8.0% of total redeemable units (December 31, 2023 – 7.6%) were held by the Manager, its officers, and directors.

#### (ii) Chou Europe Fund:

As at June 30, 2024, 8.1% of total redeemable units (December 31, 2023 – 6.8%) were held by the Manager, its officers, and directors.

#### (iii) Chou RRSP Fund:

As at June 30, 2024, 4.9% of total redeemable units (December 31, 2023 – 4.6%) were held by the Manager, its officers, and directors.

# CHOU FUNDS

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

Six months ended June 30, 2024 and 2023 (Unaudited)

### 6. Brokers' commissions:

Total commissions paid to brokers in connection with portfolio transactions for the six months ended June 30, 2024 and 2023 are as follows:

	2024	June 30,	2023
Chou Associates Fund	\$ 54,670	\$	22,033
Chou Asia Fund	—		—
Chou Europe Fund	757		—
Chou Bond Fund	—		—
Chou RRSP Fund	19,761		2,858

### 7. Securities lending:

The Funds have entered into a securities lending program with CIBC Mellon. The Funds receive collateral of at least 102% 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 June 30, 2024 and December 31, 2023 are as follows:

June 30, 2024	Market value of securities on loan	Market value of collateral received
Chou Associates Fund	\$ 41,890	\$ 44,046
Chou Asia Fund	—	—
Chou Europe Fund	837,609	881,074
Chou Bond Fund	2,051	2,167
Chou RRSP Fund	505,999	533,335

December 31, 2023	Market value of securities on loan	Market value of collateral received
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



# CHOU FUNDS

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

Six months ended June 30, 2024 and 2023 (Unaudited)

### 7. Securities lending (continued):

The tables below present a reconciliation of the securities lending income as presented in the statements of comprehensive income (loss) for the six months ended June 30, 2024 and June 30, 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:

	June 30,					
	2024		2023			
Gross securities lending revenue	\$	230	100 %	\$	8,147	100 %
Withholding taxes		–	(0)%		–	(0)%
Agent fees		(46)	(20)%		(1,629)	(20)%
Securities lending revenue	\$	184	80 %	\$	6,518	80 %

#### Chou Asia Fund:

	June 30,					
	2024		2023			
Gross securities lending revenue	\$	77	100 %	\$	255	100 %
Withholding taxes		–	(0)%		–	(0)%
Agent fees		(15)	(19)%		(51)	(20)%
Securities lending revenue	\$	62	81 %	\$	204	80 %

#### Chou Europe Fund:

	June 30,					
	2024		2023			
Gross securities lending revenue	\$	4,991	100 %	\$	250	100 %
Withholding taxes		(12)	(0)%		–	(0)%
Agent fees		(996)	(20)%		(50)	(20)%
Securities lending revenue	\$	3,983	80 %	\$	200	80 %

#### Chou Bond Fund:

	June 30,					
	2024		2023			
Gross securities lending revenue	\$	9,754	100 %	\$	1,159	100 %
Withholding taxes		–	(0)%		(348)	(30)%
Agent fees		(1,951)	(20)%		(162)	(14)%
Securities lending revenue	\$	7,803	80 %	\$	649	56 %

# CHOU FUNDS

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

Six months ended June 30, 2024 and 2023 (Unaudited)

### 7. Securities lending (continued):

#### Chou RRSP Fund:

	June 30,					
	2024		2023			
Gross securities lending revenue	\$	353	100 %	\$	5,715	100 %
Withholding taxes		(3)	(1)%		–	(0)%
Agent fees		(70)	(20)%		(1,143)	(20)%
Securities lending revenue	\$	280	79 %	\$	4,572	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.

#### (a) Chou Associates Fund:

June 30, 2024	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Equities	\$ 85,301,529	\$ –	\$ 22,497,837	\$ 107,799,366
Bonds	–	–	–	–
Options	–	–	–	–
Warrant	643,903	–	–	643,903
Total	\$ 85,945,432	\$ –	\$ 22,497,837	\$ 108,443,269
<b>Financial Liabilities</b>				
Equities	\$ –	\$ –	\$ –	\$ –
Bonds	–	–	–	–
Options	–	–	–	–
Warrant	–	–	–	–
Total	\$ –	\$ –	\$ –	\$ –

# CHOU FUNDS

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

Six months ended June 30, 2024 and 2023 (Unaudited)

### 8. Fair value measurement (continued):

#### (a) Chou Associates Fund (continued):

December 31, 2023	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Equities	\$ 87,997,102	\$ —	\$ 17,448,083	\$ 105,445,185
Bonds	—	—	—	—
Options	—	—	—	—
Warrants	4,362,138	—	—	4,362,138
<b>Total</b>	<b>\$ 92,359,240</b>	<b>\$ —</b>	<b>\$ 17,448,083</b>	<b>\$ 109,807,323</b>
<b>Financial Liabilities</b>				
Equities	\$ —	\$ —	\$ —	\$ —
Bonds	—	—	—	—
Options	—	—	—	—
Warrants	—	—	—	—
<b>Total</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>

The following table reconciles the Fund's Level 3 fair value measurement of financial instruments for the six months ended June 30, 2024.

	Equities	Bonds	Total
Balance, December 31, 2023	\$ 17,448,083	\$ —	\$ 17,448,083
Purchase of investments	—	—	—
Net transfers in (out) during the period	—	—	—
Proceeds from sales during the period	—	—	—
Net realized gain (loss) on sale of investments	—	—	—
Change in unrealized appreciation in value of investments	5,049,754	—	5,049,754
<b>Balance, June 30, 2024</b>	<b>\$ 22,497,837</b>	<b>\$ —</b>	<b>\$ 22,497,837</b>

The following table reconciles the Fund's Level 3 fair value measurement of financial instruments for the year ended December 31, 2023.

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

# CHOU FUNDS

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

Six months ended June 30, 2024 and 2023 (Unaudited)

### 8. Fair value measurement (continued):

#### (a) Chou Associates Fund (continued):

During the six months period ended June 30, 2024, there were no significant transfers between Level 1 and Level 2.

For the year ended December 31, 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.

#### Level 3 additional disclosures:

The tables below set out information about significant unobservable inputs used at reporting period-end in measuring financial instruments categorized as Level 3 in the fair value hierarchy.

#### June 30, 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	22,497,837	Market Approach & Income Approach	Third party, WACC	N/A	10%	2,249,784/ (2,249,784)

#### 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 flows, 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 Unaudited Interim Financial Statements (continued)

Six months ended June 30, 2024 and 2023 (Unaudited)

### 8. Fair value measurement (continued):

#### (b) Chou Asia Fund:

<b>June 30, 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>				
Equities	\$ 11,705,007	\$ -	\$ -	\$ 11,705,007
Bonds	-	-	-	-
Options	-	-	-	-
<b>Total</b>	<b>\$ 11,705,007</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,705,007</b>

<b>December 31, 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial Assets</b>				
Equities	\$ 10,279,347	\$ -	\$ -	\$ 10,279,347
Bonds	-	-	-	-
Options	-	-	-	-
<b>Total</b>	<b>\$ 10,279,347</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,279,347</b>

During the six months period ended June 30, 2024, there were no significant transfers between Level 1 and Level 2.

For the year ended December 31, 2023, there were no significant transfers between Level 1 and Level 2.

Financial instruments classified as Level 2 investments are valued based on prices 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.

# CHOU FUNDS

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

Six months ended June 30, 2024 and 2023 (Unaudited)

### 8. Fair value measurement (continued):

#### (c) Chou Europe Fund:

June 30, 2024	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Equities	\$ 2,510,311	\$ -	\$ -	\$ 2,510,311
Bonds	-	-	-	-
Options	-	-	-	-
Total	\$ 2,510,311	\$ -	\$ -	\$ 2,510,311

December 31, 2023	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Equities	\$ 2,257,827	\$ -	\$ -	\$ 2,257,827
Bonds	-	-	-	-
Options	-	-	-	-
Total	\$ 2,257,827	\$ -	\$ -	\$ 2,257,827

During the six months period ended June 30, 2024, there were no transfers between Level 1 and Level 2.

During the year ended December 31, 2023, there were no 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.

#### (d) Chou Bond Fund:

June 30, 2024	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Equities	\$ 817,546	\$ -	\$ 577,274	\$ 1,394,820
Bonds	-	8,763,705	366	8,764,071
Options	-	-	-	-
Total	\$ 817,546	\$ 8,763,705	\$ 577,640	\$ 10,158,891

December 31, 2023	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
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

# CHOU FUNDS

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

Six months ended June 30, 2024 and 2023 (Unaudited)

### 8. Fair value measurement (continued):

#### (d) Chou Bond Fund (continued):

The following table reconciles the Fund's Level 3 fair value measurement of financial instruments for the six months ended June 30, 2024.

	<b>Equities</b>	<b>Bonds</b>	<b>Total</b>
Balance, December 31, 2023	\$ 447,702	\$ 366	\$ 448,068
Net transfers in during the period	—	—	—
Proceeds from sales during the period	—	—	—
Net realized gain (loss) on sale of investments	—	—	—
Change in unrealized appreciation in value of investments	129,572	—	129,572
Balance, June 30, 2024	\$ 577,274	\$ 366	\$ 577,640

The following table reconciles the Fund's Level 3 fair value measurement of financial instruments for the year ended December 31, 2023.

	<b>Equities</b>	<b>Bonds</b>	<b>Total</b>
Balance, December 31, 2022	\$ 572,159	\$ 366	\$ 572,525
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	(124,457)	—	(124,457)
Balance, December 31, 2023	\$ 447,702	\$ 366	\$ 448,068

During the six months period ended June 30, 2024 and for the year ended December 31, 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 Unaudited Interim Financial Statements (continued)

Six months ended June 30, 2024 and 2023 (Unaudited)

### 8. Fair value measurement (continued):

#### (d) Chou Bond Fund (continued):

##### Level 3 additional disclosures:

The tables below set out information about significant unobservable inputs used at reporting period-end in measuring financial instruments categorized as Level 3 in the fair value hierarchy.

##### June 30, 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	577,274	Market Approach & Income Approach	Third party, WACC	N/A	10%	57,727/ (57,727)
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 flows, 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:

June 30, 2024	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Equities	\$ 14,537,066	\$ –	\$ 3,293,593	\$ 17,830,659
Bonds	–	–	100	100
Warrants	–	–	–	–
<b>Total</b>	<b>\$ 14,537,066</b>	<b>\$ –</b>	<b>\$ 3,293,693</b>	<b>\$ 17,830,759</b>
<b>Financial Liabilities</b>				
Equities	\$ –	\$ –	\$ –	\$ –
Bonds	–	–	–	–
Options	–	–	–	–
<b>Total</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>	<b>\$ –</b>



# CHOU FUNDS

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

Six months ended June 30, 2024 and 2023 (Unaudited)

### 8. Fair value measurement (continued):

#### (e) Chou RRSP Fund (continued):

December 31, 2023	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Equities	\$ 16,381,335	\$ -	\$ 2,554,330	\$ 18,935,665
Bonds	-	-	100	100
Warrants	1,022,699	-	-	1,022,699
<b>Total</b>	<b>\$ 17,404,034</b>	<b>\$ -</b>	<b>\$ 2,554,430</b>	<b>\$ 19,958,464</b>
<b>Financial Liabilities</b>				
Equities	\$ -	\$ -	\$ -	\$ -
Bonds	-	-	-	-
Options	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The following table reconciles the Fund's Level 3 fair value measurement of financial instruments for the six months ended June 30, 2024.

	Equities	Bonds	Total
Balance, December 31, 2023	\$ 2,554,330	\$ 100	\$ 2,554,430
Net transfers in during the period	-	-	-
Proceeds from sales during the period	-	-	-
Net realized gain (loss) on sale of investments	-	-	-
Change in unrealized appreciation in value of investments	739,263	-	739,263
<b>Balance, June 30, 2024</b>	<b>\$ 3,293,593</b>	<b>\$ 100</b>	<b>\$ 3,293,693</b>

The following table reconcile the Fund's Level 3 fair value measurement of financial instruments for the year ended December 31, 2023.

	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)
<b>Balance, December 31, 2023</b>	<b>\$ 2,554,330</b>	<b>\$ 100</b>	<b>\$ 2,554,430</b>

During the six months period ended June 30, 2024 and for the year ended December 31, 2023 there were no significant transfers between Level 1 and Level 2.

# CHOU FUNDS

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

Six months ended June 30, 2024 and 2023 (Unaudited)

### 8. Fair value measurement (continued):

#### (e) Chou RRSP Fund (continued):

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.

#### Level 3 additional disclosures:

The tables below set out information about significant unobservable inputs used at reporting period-end in measuring financial instruments categorized as Level 3 in the fair value hierarchy.

#### June 30, 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	3,293,593	Market Approach & Income Approach	Third party, WACC	N/A	10%	329,359/ (329,359)
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 flows, 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 Unaudited Interim Financial Statements (continued)

Six months ended June 30, 2024 and 2023 (Unaudited)

### 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	June 30, 2023
Chou Associates Fund:		
Capital loss carryforward	\$ -	\$ -
Chou Asia Fund:		
Capital loss carryforward	-	-
Chou Europe Fund:		
Capital loss carryforward	4,222,206	4,304,019
Chou Bond Fund:		
Capital loss carryforward	12,095,612	12,176,055
Chou RRSP Fund:		
Capital loss carryforward	11,983,249	12,414,964

### 10. Audit fees:

For the 6 months ended June 30, 2024, fees paid or payable to Grant Thornton LLP for the audit of the financial statements of the Funds were \$125,405 (2023 – 103,723). Fees paid to Grant Thornton LLP for other services were \$1,125 (2023 – \$4,656).

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

**CHOU ASIA FUND**

<b>Period ended</b>	<b>Total value of shares</b>
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
<b>June 30, 2024</b>	<b>\$53,381</b>

**CHOU EUROPE FUND**

<b>Period ended</b>	<b>Total value of shares</b>
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
<b>June 30, 2024</b>	<b>\$21,430</b>

**CHOU BOND FUND**

<b>Period ended</b>	<b>Total value of shares</b>
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
<b>June 30, 2024</b>	<b>\$31,185</b>

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

**CHOU RRSP FUND**

<b>Period ended</b>	<b>Total value of shares</b>
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
<b>Jun.30, 2024</b>	<b><u>\$182,502</u></b>

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.

**Chou Associates Management Inc.**

110 Sheppard Ave. East  
Suite 301, Box 18  
Toronto, Ontario  
M2N 6Y8

Tel: 416-214-0675  
Toll Free: 1-888-357-5070  
Fax: 416-214-1733  
Web: [www.choufunds.com](http://www.choufunds.com)  
E-mail: [admin@choufunds.com](mailto:admin@choufunds.com)

**Recordkeeping and Custodian**

CIBC Mellon  
1 York Street, Suite 900  
Toronto, Ontario  
M5J 0B6

Tel: 416-643-5540  
Toll Free: 1-866-379-3266  
Fax: 1-855-884-0493

**Auditors**

Grant Thornton LLP  
123 Commerce Valley Drive East, Suite 400  
Markham, Ontario  
L3T 7W8

**Legal Counsel**

Owens Wright LLP  
20 Holly Street  
Suite 300  
Toronto, Ontario  
M4S 3B1