CHOU AMERICA MUTUAL FUNDS

Chou Opportunity Fund
(CHOEX)
Chou Income Fund
(CHOIX)
No Load Funds

PROSPECTUS

May 1, 2017

The Securities and Exchange Commission has not approved or disapproved of these securities or passed upon the accuracy or adequacy of the disclosure in this Prospectus. Any representation to the contrary is a criminal offense.

TABLE OF CONTENTS

The Notice of Privacy Policy and Practices of the Funds is included with this Prospectus but is not considered to be part of the Prospectus.

Chou Opportunity Fund Summary

Investment Objective

The investment objective of the Chou Opportunity Fund (the "Opportunity Fund" or "Fund") is long-term growth of capital.

Fees and Expenses of the Opportunity Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Opportunity Fund.

Shareholder Fees (fees paid directly from your investment)	
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of the offering price)	None
Maximum Deferred Sales Charge (Load) (as a percentage of the sale price)	None
Maximum Deferred Sales Charge (Load) Imposed on Reinvested Dividends and Other Distributions (as a percentage of the offering price)	None
Redemption Fee (as a percentage of amount redeemed within 120 days of purchase, if applicable)	2.00%
Exchange Fee	None
Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)	
Management Fees	1.00%
Distribution and/or Service (12b-1) Fees	0.00%
Other Expenses	0.31%
Total Annual Fund Operating Expenses	1.31%
Fee Waiver and/or Expense Reimbursement	(0.11)%
Net Annual Fund Operating Expenses[1]	1.20%

(1) Chou America Management Inc. ("Chou" or the "Adviser") has contractually agreed to waive a portion of its fee and/or reimburse Opportunity Fund expenses to limit Total Annual Fund Operating Expenses (excluding other expenses, taxes, leverage interest, acquired fund fees and expenses, dividends or interest on short positions, other interest expenses, brokerage commissions, and extraordinary expenses such as litigation) to 1.20% through at least May 1, 2018 ("Expense Cap"). The Expense Cap may be changed or eliminated at any time with the consent of the Board of Trustees of Chou America Mutual Funds (the "Board"). Net Annual Fund Operating Expenses will increase if exclusions from the Expense Cap apply.

Expense Example

This Example is intended to help you compare the cost of investing in the Opportunity Fund with the cost of investing in other mutual funds. The Example assumes that you invest $10,000 in the Opportunity Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Opportunity Fund's operating expenses remain the same (though the fee waiver is applied in the first year). Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
$122	$404	$708	$1,569

Portfolio Turnover

The Opportunity Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Opportunity Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the Example, affect the Opportunity Fund's performance. During the most recent fiscal year, the Opportunity Fund's portfolio turnover rate was 18% of the average value of its portfolio.

Principal Investment Strategies

The Opportunity Fund seeks to invest primarily in the equity securities of companies located in developed and emerging markets throughout the world that Chou believes are available at market prices less than their value. The Opportunity Fund will focus its investments in areas where it finds the most compelling opportunities at any given moment and on situations that, in Chou's opinion, have the potential for long-term growth of capital. Once an investment is made, the Opportunity Fund expects to be a patient, long-term investor. Portfolio holdings are typically concentrated in 10 to 35 securities without limits as to the size of an issuer, the issuer's earnings or the industry in which it operates. The equity securities in which the Opportunity Fund invests include common and preferred stock, convertible securities, American Depositary Receipts ("ADRs"), pooled investment vehicles, including private equity and hedge funds, rights and warrants. The Opportunity Fund may sell a security if Chou believes that: (1) the market has recognized the security's full potential value; (2) the security's fundamentals have deteriorated; or (3) alternative investments have become more attractive.

The Opportunity Fund also may invest globally in debt securities, including government and corporate debt, high yield debt, commercial paper, loans and loan participation interests, mortgage or asset-backed securities and repurchase agreements. Chou may decide to invest the Opportunity Fund's debt investments in short-term fixed-income securities during periods deemed by Chou to be of high market valuations and volatility. Such short-term fixed-income securities may include money market funds that invest principally in U.S. Treasury bills, notes and bonds and repurchase agreements backed by such securities and bank deposits. This strategy may permit Chou to preserve capital while awaiting more favorable market conditions.

The Opportunity Fund may invest in income trusts, bank debt and deposits, lower-rated, distressed or defaulted debt securities, comparable unrated debt securities or other indebtedness (or participations in the indebtedness) of such companies. The debt securities which the Opportunity Fund may purchase may either be unrated, or rated in any rating category established by one or more independent rating organizations, such as Standard & Poor's Ratings Group ("S&P") or Moody's Investors Service ("Moody's"). The Opportunity Fund may invest in debt securities that are of any credit quality and maturity, and rated below investment grade (i.e., "junk bonds") and thus rated below "Baa3" or lower by Moody's or "BBB-" or lower by S&P or unrated, and securities in default or distressed.

The Opportunity Fund may use financial instruments (including derivatives) as part of its principal investment strategies, as more fully described in the prospectus. The Opportunity Fund may also lend securities in its portfolio in order to earn additional income and manage its portfolio. Cash collateral received in connection with a loan of a portfolio security will generally be invested in short-term investments such as repurchase agreements or money market funds.

Principal Investment Risks

The Opportunity Fund's net asset value ("NAV") and investment return will fluctuate based upon changes in the value of its portfolio securities. You could lose money on your investment in the Opportunity Fund or the Opportunity Fund could underperform other investments. An investment in the Opportunity Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Investments in the Opportunity Fund are subject to the following principal risks:

Below-Investment Grade Securities Risk is the risk that the market values for the Opportunity Fund's investments in below-investment grade securities may be very volatile. In addition, these securities are less liquid than investment grade debt securities.

Common Stock Risk is the risk that Opportunity Fund's common stock holdings may decline in value because of changes in the price of a particular issuer or a broad stock market decline. Common stock generally is subordinate to preferred stock upon the liquidation or bankruptcy of the issuing company.

Concentration Risk is the risk that by concentrating up to, but less than, 25% of its investments in an industry or industries the performance of the Opportunity Fund may be tied closely to and be affected by developments in that industry.

Convertible Securities Risk entails some of the risks of both equity and debt securities. The value of convertible securities tends to decline as interest rates rise and, because of the conversion feature, tends to vary with the fluctuations in the market value of the underlying securities.

Covered Call Option Risk is the risk that options written by the Opportunity Fund will be affected by changes in the value of and dividend rates of the security on which the option is written, changes in the actual or perceived volatility of the stock market, the remaining time to the options and reduced liquidity in the market for options.

Currency Risk is the risk that arises if the Opportunity Fund invests directly in foreign (non-U.S.) currencies, in securities that trade in and/or receive revenues in foreign currencies or in derivatives that provide exposure to foreign currencies. These investments are subject to the risk that the foreign currencies will decline in value relative to the U.S. dollar or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency being hedged.

Derivatives Risk occurs because derivatives are financial instruments that have a value which depends upon, or is derived from, the value of something else, such as one or more underlying securities, pools of securities, options, futures, indexes, interest rates or currencies. The Opportunity Fund may invest in a variety of derivatives, including options, futures, swaps, swap caps, forwards and curve steepeners. Investments in derivatives can be volatile and can have a large impact on the performance of the Opportunity Fund. Gains or losses involving derivative instruments may be substantial, because a relatively small price movement in the underlying securities, instrument, currency or index may result in a substantial gain or loss for the Opportunity Fund. Derivatives may cause leverage. Leverage risk is created when an investment exposes the Opportunity Fund to a level of risk that exceeds the amount invested. Changes in the value of such an investment magnify the Opportunity Fund's risk of loss. Other risks of investments in derivatives include imperfect correlation between the value of these derivative instruments and the underlying assets; risks that the transactions may result in losses that partially or completely offset gains in portfolio positions; and risks that the derivative transactions may not be liquid. Investments in derivatives require different skills and techniques than other securities in which the Opportunity Fund may invest.

- **Correlation Risk** is the risk of imperfect correlation between the value of these derivative instruments and the underlying assets.
- **Counterparty Risk** is the risk that a counterparty to a derivative instrument may become bankrupt or otherwise fail to perform its obligations due to financial difficulties, and the Opportunity Fund may obtain no recovery of its investment or may only obtain a limited recovery, and any recovery may be delayed.
- **Credit Derivative Risk** is the risk that a credit derivative position may correlate imperfectly with the price of the asset or liability being hedged. The Opportunity Fund's risk of loss in a credit derivative transaction varies with the form of the transaction.
- **Leverage Risk** is created when an investment exposes the Opportunity Fund to a level of risk that exceeds the amount invested. Changes in the value of such an investment magnify the Opportunity Fund's risk of loss and potential for gain.
- **Segregation Risk** is the risk associated with any requirements, which may be imposed on the Opportunity Fund, to segregate assets or enter into offsetting positions in connection with investments in derivatives. Such segregation will not limit the Opportunity Fund's exposure to loss, and the Opportunity Fund may incur investment risk with respect to the segregated assets to the extent that, but for the applicable segregation requirement, the Fund would sell the segregated assets.
- **Volatility Risk** is the risk that, because the Opportunity Fund may use some derivatives that involve economic leverage, this economic leverage will increase the volatility of a derivative instrument, as they may increase or decrease in value more quickly than the reference asset.

Distressed Securities Risk is the risk that the Opportunity Fund may be required to incur extraordinary expenses in order to protect and recover its investments in distressed securities, including when the issuer of distressed securities files for bankruptcy protection.

Emerging Markets Risk. Emerging markets investments are subject to the same risks as foreign investments and to additional risks due to greater political and economic uncertainties as well as a relative lack of information about companies in such markets. Securities traded on emerging markets are potentially illiquid and may be subject to volatility and high transaction costs.

Equity Securities Risk (including ADR Risk) is the risk that the Opportunity Fund's equity holdings, including common and preferred stock, may decline in value because of changes in price of a particular holding or a broad stock market decline. The value of a security may decline for a number of reasons which directly relate to the issuer of a security. ADRs may be subject to some of the same risks as direct investment in foreign companies, which include international trade, currency, political, regulatory and diplomatic risks.

Fixed-Income Securities Risk includes the risks that arise when investing in fixed-income securities or other indebtedness. These risks include:

- **Credit Risk** – The financial condition of an issuer of a debt security may cause the issuer to default or become unable to pay interest or principal due on the security. If an issuer defaults, the affected security could lose all of its value, be renegotiated at a lower interest rate or principal amount, or become illiquid. Higher yielding debt securities of lower credit quality may have greater credit risk than lower yielding securities with higher credit quality.

- **Interest Rate Risk** – The value of the Opportunity Fund's investments in fixed-income securities will fall when interest rates rise. The effect of increasing interest rates is more pronounced for intermediate-term or longer-term fixed-income obligations owned by the Opportunity Fund. In addition, spreads on certain fixed-income investments can widen suddenly and sharply, negatively impacting the value of the underlying security. This can occur in both investment and non-investment grade securities.

- **Prepayment Risk** – Issuers may prepay fixed rate obligations when interest rates fall, forcing the Opportunity Fund to reinvest in obligations with lower interest rates than the original obligations.

- **Variable and Floating Interest Rate Risk** – The interest rates of variable and floating rate securities may adjust whenever a specified interest rate changes and/or that reset on predetermined dates (such as the last day of a month or calendar quarter). Variable and floating rate securities generally are less sensitive to interest rate changes but may produce a leveraging effect or provide interest payments that vary inversely with market rates. Floating and variable rate securities also may be called or redeemed by the issuer prior to maturity, which may result in the Income Fund having to reinvest proceeds in other investments at a lower interest rate. The Income Fund may also suffer a loss if there is no active secondary market for any particular floating or variable rate security.

Focused Portfolio Risk is the risk that, because the portfolio may be invested in relatively fewer individual securities than other more diversified funds, the increase or decrease in the value of a single position held by the portfolio may have a greater impact on the performance of the Opportunity Fund than if it were more broadly invested.

Foreign Investments Risk. The value of foreign investments may be affected by risks in addition to those affecting domestic investments, including the imposition of new or amended government regulations, changes in diplomatic relations between the U.S. and another country, political and economic instability, the imposition or tightening of exchange controls or other limitations on repatriation of foreign capital or nationalization and/or increased taxation or confiscation of investors' assets. Investments in securities of foreign issuers are subject to fluctuations in the value of the issuer's local currency relative to the U.S dollar and may be subject to foreign withholding and other taxes.

Futures and Forward Contracts Risk There may be an imperfect correlation between the changes in market value of the securities held by the Opportunity Fund and the prices of futures and forward contracts. There may not be a liquid secondary market for the futures contracts. Forward currency and currency futures transactions include the risks associated with fluctuations in currency.

Hedging Risk is the risk that investments made by the Opportunity Fund to hedge or minimize risk may not work as anticipated. In addition, should the Opportunity Fund purchase put options to hedge risk, the Opportunity Fund could lose the entire premium paid for the put options.

Issuer Risk is the risk that the value of a security may decline for reasons that directly relate to the issuer of the security.

Liquidity Risk is the risk that the Opportunity Fund may not be able to dispose of restricted or illiquid securities promptly or at reasonable prices and may thereby experience difficulty satisfying redemption requests.

Loans and Loan Participation Interests Risk is the risk that the Opportunity Fund's rights under a participation interest with respect to a particular loan may be more limited than the rights of original lenders or of investors who acquire an assignment of that loan. The Opportunity Fund normally will have to rely on the participating lender to demand and receive payments in respect of the loans, and to pay those amounts on to the Opportunity Fund, and the Opportunity Fund would not likely have any rights against the borrower directly.

Manager Risk is the risk that investment strategies employed by the Portfolio Manager in selecting investments and asset allocations for the Opportunity Fund may not result in an increase in the value of your investment or in overall performance equal to other investments.

Market Events Risk is the risk that turbulence in financial markets and reduced liquidity in equity, credit and fixed-income markets may negatively affect many issuers worldwide, which could have an adverse effect on the Opportunity Fund.

Mortgage-Related and Other Asset-Backed Risk is the risk that rising interest rates tend to extend the duration of fixed rate mortgage-related securities and other asset-backed securities, making them more sensitive to changes in interest rates. Additionally, mortgage-related securities and asset-backed securities are subject to prepayment risk.

Non-Diversification Risk is the risk that because the Opportunity Fund may have greater investment in a single issuer it is more susceptible to events impacting such issuer, and that as a result performance of the Opportunity Fund may be more volatile than performance of a diversified fund.

Options Risk The price of the options, which is a function of interest rates, volatility, dividends, the exercise price, stock price and other market factors, may change rapidly over time. Price valuations or market movements may not justify purchasing put options on individual securities, stock indexes and ETFs, or, if purchased, the options may expire unexercised, causing the Opportunity Fund to lose the premium paid for the options. There may be an imperfect correlation between the prices of options and movements in the price of the securities (or indices) hedged or used for cover which may cause a given hedge not to achieve its objective. Over-the-counter options expose the Opportunity Fund to counterparty risk.

Pooled Investment Vehicle Risk is the risk that the pooled investment vehicles in which the Opportunity Fund may invest, such as registered investment companies, private equity and hedge funds, may charge fees, and such fees may be more than the Opportunity Fund would pay if the manager of the pooled vehicle managed the Opportunity Fund's assets directly.

Preferred Stock Risk Preferred stocks are subordinated to bonds and other debt instruments in a company's capital structure and therefore will be subject to greater credit risk than those debt instruments. In addition, preferred stocks are subject to other risks, such as having no or limited voting rights, being subject to special redemption rights, having distributions deferred or skipped, having limited liquidity, changing tax treatments and possibly being in heavily regulated industries.

Redemption Risk. The Fund could experience a loss when selling securities to meet redemption requests by shareholders. The risk of loss increases if the redemption requests are unusually large or frequent or occur in times of overall market turmoil or declining prices. The Fund may suspend redemptions or the payment of redemption proceeds when permitted by applicable regulations.

The Fund currently has a large shareholder controlled by the Fund's Portfolio Manager. The shareholder has, and may continue to, pledge some or all of its Fund shares to secure loans. The shareholder may redeem shares at any time to repay its loans or to raise cash for other purposes. In addition, a loan default may result in the lender redeeming any pledged shares.

Regional Risk occurs because adverse conditions in a certain region or country can adversely affect securities of issuers in other countries whose economies appear to be unrelated. To the extent that the Opportunity Fund invests a significant portion of its assets in a specific geographic region or a particular country, the Opportunity Fund will generally have more exposure to the specific regional or country economic risks. In the event of economic or political turmoil or a deterioration of diplomatic relations in a region or country where a substantial portion of the Opportunity Fund's assets are invested, the Opportunity Fund may experience substantial illiquidity or reduction in the value of the Opportunity Fund's investments.

Repurchase Agreement Risk is the risk that if the party agreeing to repurchase should default, the Opportunity Fund may sell the purchased securities and incur procedural costs or delays in addition to any loss on the securities.

Securities Lending Risk may occur when borrowers of the Opportunity Fund's securities provide collateral in the form of cash that is reinvested in securities. The securities in which the collateral is invested may not perform sufficiently to cover the return collateral payments owed to borrowers. In addition, delays may occur in the recovery of securities from borrowers, which could interfere with the Opportunity Fund's ability to vote proxies or to settle transactions. Securities Lending subjects the Opportunity Fund to Leverage Risk.

Swap Contracts and Swap Caps Risk The use of swaps and swap caps involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In addition, each swap and swap cap exposes the Opportunity Fund to counterparty risk when a counterparty to a financial instrument entered into by the Opportunity Fund may become bankrupt or otherwise fail to perform its obligations due to financial difficulties. As a result, the Opportunity Fund may experience delays in or be prevented from obtaining payments owed to it pursuant to a swap contract. Swap caps are less liquid than swaps.

Value Style Risk is the risk that securities in which the Opportunity Fund invests may not increase in price as anticipated by Chou, and may even decline further in value if other investors fail to recognize the company's value or favor investing in faster-growing companies, or if the events or factors that Chou believes will increase a security's market value do not occur.

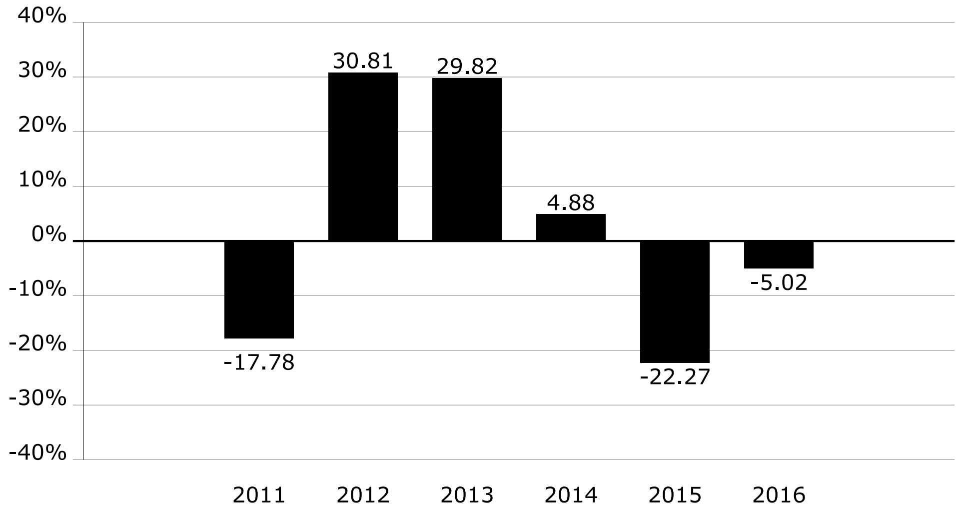
Warrants Risk is the risk that warrants can provide a greater potential for loss than an equivalent investment in the underlying security. The price of a warrant does not necessarily move in tandem with the price of the underlying security and, therefore, a warrant may be highly volatile and speculative. If a warrant held by the Opportunity Fund is not exercised by the date of its expiration, the Opportunity Fund would lose the entire purchase price of the warrant.

Performance Information

The following chart and table illustrate the variability of the Opportunity Fund's returns as of December 31, 2016. The chart and table provide some indication of the risks of investing in the Opportunity Fund by showing the changes in the performance from year to year and how the Opportunity Fund's average annual returns for one year, five years and since inception compare to the S&P 500 Index, a broad measure of market performance. Updated performance is available at www.chouamerica.com or by calling (877) 682-6352 (toll free).

Performance information represents only past performance, before and after taxes, and does not necessarily indicate future results.

Annual Returns as of December 31



During the period shown, the highest return for a quarter was 14.10% (for the quarter ended March 31, 2012), and the lowest return was -22.29% (for the quarter ended September 30, 2011).

Average Annual Total Returns
(For the periods ended December 31, 2016)

	One Year	Five Year	Since Inception 07/01/2010
Return Before Taxes	-5.02%	5.63%	4.35%
Return After Taxes on Distributions	-7.64%	3.41%	2.65%
Return After Taxes on Distributions and Sale of Fund Shares	-2.91%	3.93%	3.05%
S&P 500 Index (reflects no deduction for fees, expenses or taxes)	11.96%	14.66%	15.15%

S&P 500® Index is a broad-based, unmanaged measure of changes in stock market conditions based on the average performance of 500 widely held stocks.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts ("IRAs").

The return after taxes on distributions and sale of Fund shares may exceed the return before taxes due to an assumed tax benefit from any losses on a sale of Fund shares at the end of the measurement period.

Management

The Adviser. Chou America Management Inc. is the Opportunity Fund's investment adviser.

Portfolio Manager. Francis S.M. Chou, Chief Executive Officer of Chou, is the Portfolio Manager of the Opportunity Fund and is responsible for the day-to-day management of the Opportunity Fund. Mr. Chou has been Portfolio Manager of the Opportunity Fund since its inception on July 1, 2010.

Purchase and Sale of Opportunity Fund Shares

You may purchase or sell (redeem) shares of the Opportunity Fund on any day the New York Stock Exchange is open for business. You may purchase or redeem shares directly from the Opportunity Fund by calling (877) 682-6352 (toll free) or writing to the Opportunity Fund at Chou Opportunity Fund, P.O. Box 588, Portland, Maine 04112. You also may purchase or redeem shares of the Opportunity Fund through your financial intermediary. The Opportunity Fund accepts investments in the following minimum amounts:

	Minimum Initial Investment	Minimum Additional Investment
Standard Accounts	$5,000	$500
Retirement Accounts	$5,000	$500

Tax Information

Shareholders may receive distributions from the Opportunity Fund, which may be taxed to shareholders other than tax-exempt investors (such as tax-deferred retirement plans and accounts which may be taxed upon withdrawal of monies from the tax-deferred arrangement) as ordinary income or capital gains.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase the Opportunity Fund through a broker-dealer or other financial intermediary (such as a bank), the Opportunity Fund and its related companies may pay the intermediary for the sale of Opportunity Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Opportunity Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

Chou Income Fund Summary

Investment Objective

The investment objective of the Chou Income Fund (the "Income Fund" or "Fund") is to provide capital appreciation and income production, with capital preservation as a secondary consideration.

Fees and Expenses of the Income Fund

This table describes the fees and expenses that you may pay if you buy and hold shares of the Income Fund.

Shareholder Fees (fees paid directly from your investment)	
Maximum Sales Charge (Load) Imposed on Purchases (as a percentage of the offering price)	None
Maximum Deferred Sales Charge (Load) (as a percentage of the sale price)	None
Maximum Deferred Sales Charge (Load) Imposed on Reinvested Dividends and Other Distributions (as a percentage of the offering price)	None
Redemption Fee (as a percentage of amount redeemed within 120 days of purchase, if applicable)	2.00%
Exchange Fee	None

Annual Fund Operating Expenses (expenses that you pay each year as a percentage of the value of your investment)	
Management Fees	1.00%
Distribution and/or Service (12b-1) Fees	0.00%
Other Expenses	1.10%
Total Annual Fund Operating Expenses	2.10%
Fee Waiver and/or Expense Reimbursement	(0.90)%
Net Annual Fund Operating Expenses(1)	1.20%

(1) Chou America Management Inc. ("Chou" or the "Adviser") has contractually agreed to waive a portion of its fee and/or reimburse Income Fund expenses to limit Total Annual Fund Operating Expenses (excluding other expenses, taxes, leverage interest, acquired fund fees and expenses, dividends or interest on short positions, other interest expenses, brokerage commissions, and extraordinary expenses such as litigation) to 1.20% through at least May 1, 2018 ("Expense Cap"). The Expense Cap may be changed or eliminated at any time with the consent of the Board of Trustees of Chou America Mutual Funds (the "Board"). Net Annual Fund Operating Expenses will increase if exclusions from the Expense Cap apply.

Expense Example

This Example is intended to help you compare the cost of investing in the Income Fund with the cost of investing in other mutual funds. The Example assumes that you invest $10,000 in the Income Fund for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Income Fund's operating expenses remain the same (though the fee waiver is applied in the first year). Although your actual costs may be higher or lower, based on these assumptions your costs would be:

1 Year	3 Years	5 Years	10 Years
$122	$571	$1,046	$2,360

Portfolio Turnover

The Income Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Income Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the Example, affect the Income Fund's performance. During the most recent fiscal year, the Income Fund's portfolio turnover rate was 22% of the average value of its portfolio.

Principal Investment Strategies

Under normal market conditions, the Income Fund will invest at least 80% of its net assets in fixed-income securities (which includes other forms of indebtedness), financial instruments that provide exposure to fixed-income securities, and preferred stock. The Income Fund's fixed-income investments principally will include U.S. and non-U.S. government and municipal securities, distressed securities, corporate debt (both investment grade and below-investment grade), income trusts, bank debt and deposits, commercial paper, variable and floating rate securities, Rule 144A securities, pay-in-kind securities, loan participation interests, mortgage or asset-backed securities, preferred stock and convertible securities. The Income Fund also may invest in money market funds that invest principally in U.S. Treasury bills, notes and bonds and repurchase agreements backed by such securities. The Income Fund may invest in fixed-income securities in both developed markets and emerging markets. Portfolio holdings are typically concentrated without limits as to factors such as geography, the size of an issuer, the issuer's earnings or the industry in which an issuer operates.

The Income Fund may invest in distressed securities and corporate bonds or other indebtedness that are rated below-investment grade. These are securities generally rated in the lower rating categories ("Baa3" or lower by Moody's Investors Service ("Moody's") or "BBB-" or lower by Standard & Poor's Ratings Group ("S&P"), or a comparable rating) by at least one nationally recognized statistical rating organization at the time of investment or, if unrated, are determined to be of comparable quality by the Portfolio Manager.

Chou may also invest the Income Fund's assets in short-term fixed-income securities or bank deposits during periods of high market valuations and volatility. This strategy may permit Chou to preserve capital while awaiting more favorable market conditions.

The Income Fund may invest up to 20% of its net assets in equity securities (other than preferred stock and convertible securities), including common stock, American Depositary Receipts ("ADRs"), pooled investment vehicles, including private equity, hedge funds, rights, and warrants.

The Income Fund may use financial instruments (including derivatives) as part of its principal investment strategies, as more fully described in the prospectus. The Income Fund may also lend securities in its portfolio in order to earn additional income and manage its portfolio. Cash collateral received in connection with a loan of a portfolio security will generally be invested in short-term investments such as repurchase agreements or money market funds.

Principal Investment Risks

The Income Fund's net asset value ("NAV") and investment return will fluctuate based upon changes in the value of its portfolio securities. You could lose money on your investment in the Income Fund or the Income Fund could underperform other investments. An investment in the Income Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Investments in the Income Fund are subject to the following principal risks:

Below-Investment Grade Securities Risk is the risk that the market values for the Income Fund's investments in below-investment grade securities may be very volatile. In addition, these securities are less liquid than investment grade debt securities.

Common Stock Risk is the risk that Income Fund's common stock holdings may decline in value because of changes in the price of a particular issuer or a broad stock market decline. Common stock generally is subordinate to preferred stock upon the liquidation or bankruptcy of the issuing company.

Concentration Risk is the risk that by concentrating up to, but less than, 25% of its investments in an industry or industries the performance of the Income Fund may be tied closely to and be affected by developments in that industry.

Convertible Securities Risk entails some of the risks of both equity and debt securities. The value of convertible securities tends to decline as interest rates rise and, because of the conversion feature, tends to vary with the fluctuations in the market value of the underlying securities.

Covered Call Option Risk is the risk that options written by the Income Fund will be affected by changes in the value of and dividend rates of the security on which the option is written, changes in the actual or perceived volatility of the stock market, the remaining time to the options and reduced liquidity in the market for options.

Currency Risk is the risk that arises if the Income Fund invests directly in foreign (non-U.S.) currencies, in securities that trade in and/or receive revenues in foreign currencies or in derivatives that provide exposure to foreign currencies. These investments are subject to the risk that the foreign currencies will decline in value relative to the U.S. dollar or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency being hedged.

Derivatives Risk occurs because derivatives are financial instruments that have a value which depends upon, or is derived from, the value of something else, such as one or more underlying securities, pools of securities, options, futures, indexes, interest rates or currencies. The Income Fund may invest in a variety of derivatives, including options, futures, swaps, swap caps, forwards and curve steepeners. Investments in derivatives can be volatile and can have a large impact on the performance of the Income Fund. Gains or losses involving derivative instruments may be substantial, because a relatively small price movement in the underlying securities, instrument, currency or index may result in a substantial gain or loss for the Income Fund. Derivatives may cause leverage. Leverage risk is created when an investment exposes the Income Fund to a level of risk that exceeds the amount invested. Changes in the value of such an investment magnify the Income Fund's risk of loss. Other risks of investments in derivatives include imperfect correlation between the value of these derivative instruments and the underlying assets; risks that the transactions may result in losses that partially or completely offset gains in portfolio positions; and risks that the derivative transactions may not be liquid. Investments in derivatives require different skills and techniques than other securities in which the Income Fund may invest.

- **Correlation Risk** is the risk of imperfect correlation between the value of these derivative instruments and the underlying assets.
- **Counterparty Risk** is the risk that a counterparty to a derivative instrument may become bankrupt or otherwise fail to perform its obligations due to financial difficulties, and the Income Fund may obtain no recovery of its investment or may only obtain a limited recovery, and any recovery may be delayed.
- **Credit Derivative Risk** is the risk that a credit derivative position may correlate imperfectly with the price of the asset or liability being hedged. The Income Fund's risk of loss in a credit derivative transaction varies with the form of the transaction.
- **Leverage Risk** is created when an investment exposes the Income Fund to a level of risk that exceeds the amount invested. Changes in the value of such an investment magnify the Income Fund's risk of loss and potential for gain.
- **Segregation Risk** is the risk associated with any requirements, which may be imposed on the Income Fund, to segregate assets or enter into offsetting positions in connection with investments in derivatives. Such segregation will not limit the Income Fund's exposure to loss, and the Income Fund may incur investment risk with respect to the segregated assets to the extent that, but for the applicable segregation requirement, the Fund would sell the segregated assets.
- **Volatility Risk** is the risk that, because the Income Fund may use some derivatives that involve economic leverage, this economic leverage will increase the volatility of a derivative instrument, as they may increase or decrease in value more quickly than the reference asset.

Distressed Securities Risk is the risk that the Income Fund may be required to incur extraordinary expenses in order to protect and recover its investments in distressed securities, including when the issuer of distressed securities files for bankruptcy protection.

Emerging Markets Risk. Emerging markets investments are subject to the same risks as foreign investments and to additional risks due to greater political and economic uncertainties as well as a relative lack of information about companies in such markets. Securities traded on emerging markets are potentially illiquid and may be subject to volatility and high transaction costs.

Equity Securities Risk (including ADR Risk) is the risk that the Income Fund's equity holdings, including common and preferred stock, may decline in value because of changes in price of a particular holding or a broad stock market decline. The value of a security may decline for a number of reasons which directly relate to the issuer of a security. ADRs may be subject to some of the same risks as direct investment in foreign companies, which include international trade, currency, political, regulatory and diplomatic risks.

Fixed-Income Securities Risk includes the risks that arise when investing in fixed-income securities or other indebtedness. These risks include:

- **Credit Risk** – The financial condition of an issuer of a debt security may cause the issuer to default or become unable to pay interest or principal due on the security. If an issuer defaults, the affected security could lose all of its value, be renegotiated at a lower interest rate or principal amount, or become illiquid. Higher yielding debt securities of lower credit quality may have greater credit risk than lower yielding securities with higher credit quality.
- **Interest Rate Risk** – The value of the Income Fund's investments in fixed-income securities will fall when interest rates rise. The effect of increasing interest rates is more pronounced for intermediate-term or longer-term fixed-income obligations owned by the Income Fund. In addition, spreads on certain fixed-income investments can widen suddenly and sharply, negatively impacting the value of the underlying security. This can occur in both investment and non-investment grade securities.
- **Prepayment Risk** – Issuers may prepay fixed rate obligations when interest rates fall, forcing the Income Fund to reinvest in obligations with lower interest rates than the original obligations.
- **Variable and Floating Interest Rate Risk** – The interest rates of variable and floating rate securities may adjust whenever a specified interest rate changes and/or that reset on predetermined dates (such as the last day of a month or calendar quarter). Variable and floating rate securities generally are less sensitive to interest rate changes but may produce a leveraging effect or provide interest payments that vary inversely with market rates. Floating and variable rate securities also may be called or redeemed by the issuer prior to maturity, which may result in the Income Fund having to reinvest proceeds in other investments at a lower interest rate. The Income Fund may also suffer a loss if there is no active secondary market for any particular floating or variable rate security.

Focused Portfolio Risk is the risk that, because the portfolio may be invested in relatively fewer individual securities than other more diversified funds, the increase or decrease in the value of a single position held by the portfolio may have a greater impact on the performance of the Income Fund than if it were more broadly invested.

Foreign Investments Risk. The value of foreign investments may be affected by risks in addition to those affecting domestic investments, including the imposition of new or amended government regulations, changes in diplomatic relations between the U.S. and another country, political and economic instability, the imposition or tightening of exchange controls or other limitations on repatriation of foreign capital or nationalization and/or increased taxation or confiscation of investors' assets. Investments in securities of foreign issuers are subject to fluctuations in the value of the issuer's local currency relative to the U.S dollar and may be subject to foreign withholding and other taxes.

Futures and Forward Contracts Risk There may be an imperfect correlation between the changes in market value of the securities held by the Income Fund and the prices of futures and forward contracts. There may not be a liquid secondary market for the futures contracts. Forward currency and currency futures transactions include the risks associated with fluctuations in currency.

Hedging Risk is the risk that investments made by the Income Fund to hedge or minimize risk may not work as anticipated. In addition, should the Income Fund purchase put options to hedge risk, the Income Fund could lose the entire premium paid for the put options.

Issuer Risk is the risk that the value of a security may decline for reasons that directly relate to the issuer of the security.

Liquidity Risk is the risk that the Income Fund may not be able to dispose of restricted or illiquid securities promptly or at reasonable prices and may thereby experience difficulty satisfying redemption requests.

Loans and Loan Participation Interests Risk is the risk that the Income Fund's rights under a participation interest with respect to a particular loan may be more limited than the rights of original lenders or of investors who acquire an assignment of that loan. The Income Fund normally will have to rely on the participating lender to demand and receive payments in respect of the loans, and to pay those amounts on to the Income Fund, and the Income Fund would not likely have any rights against the borrower directly.

Manager Risk is the risk that investment strategies employed by the Portfolio Manager in selecting investments and asset allocations for the Income Fund may not result in an increase in the value of your investment or in overall performance equal to other investments.

Market Events Risk is the risk that turbulence in financial markets and reduced liquidity in equity, credit and fixed-income markets may negatively affect many issuers worldwide, which could have an adverse effect on the Income Fund. Similarly, the value of debt securities may be adversely affected by changes in bond market size and structure, such as changes that result from a decision by a central bank to revise monetary policy (for example, the end of the Federal Reserve Board's program to purchase and hold debt securities) or a significant reduction in capacity of dealers to intermediate (or "make a market") in debt securities due to changes in regulatory and capital requirements.

Mortgage-Related and Other Asset-Backed Risk is the risk that rising interest rates tend to extend the duration of fixed rate mortgage-related securities and other asset-backed securities, making them more sensitive to changes in interest rates. Additionally, mortgage-related securities and asset-backed securities are subject to prepayment risk.

Municipal Securities Risk is the risk that the amount of public information available about municipal securities is generally less than that for corporate securities. Special factors, such as legislative changes, and economic and business developments, may adversely affect the yield and/or value of the Income Fund's investments in municipal securities. Other factors include the general conditions of the municipal securities market, the size of the particular offering, the maturity of the obligation and the rating of the issue. Changes in economic, business or political conditions relating to a particular municipal project, municipality, or state in which the Income Fund invests may have an impact on the Income Fund's share price.

Non-Diversification Risk is the risk that because the Income Fund may have greater investment in a single issuer it is more susceptible to events impacting such issuer, and that as a result performance of the Income Fund may be more volatile than performance of a diversified fund.

Options Risk The price of the options, which is a function of interest rates, volatility, dividends, the exercise price, stock price and other market factors, may change rapidly over time. Price valuations or market movements may not justify purchasing put options on individual securities, stock indexes and ETFs, or, if purchased, the options may expire unexercised, causing the Income Fund to lose the premium paid for the options. There may be an imperfect correlation between the prices of options and movements in the price of the securities (or indices) hedged or used for cover which may cause a given hedge not to achieve its objective. Over-the-counter options expose the Income Fund to counterparty risk.

Pay-In-Kind Securities Risk arises because pay-in-kind securities pay interest through the issuance of additional debt or equity securities. As a result, holders of these types of securities realize no cash until the cash payment date unless a portion of such securities is sold. If the issuer defaults, the Income Fund may obtain no return at all on its investment.

Pooled Investment Vehicle Risk is the risk that the pooled investment vehicles in which the Income Fund may invest, including money market funds, may charge fees, and such fees may be more than the Income Fund would pay if the manager of the pooled vehicle managed the Income Fund's assets directly.

Preferred Stock Risk Preferred stocks are subordinated to bonds and other debt instruments in a company's capital structure and therefore will be subject to greater credit risk than those debt instruments. In addition, preferred stocks are subject to other risks, such as having no or limited voting rights, being subject to special redemption rights, having distributions deferred or skipped, having limited liquidity, changing tax treatments and possibly being in heavily regulated industries.

Redemption Risk. The Fund could experience a loss when selling securities to meet redemption requests by shareholders. The risk of loss increases if the redemption requests are unusually large or frequent or occur in times of overall market turmoil or declining prices. The Fund may suspend redemptions or the payment of redemption proceeds when permitted by applicable regulations.

The Fund currently has a large shareholder controlled by the Fund's Portfolio Manager. The shareholder has, and may continue to, pledge some or all of its Fund shares to secure loans. The shareholder may redeem shares at any time to repay its loans or to raise cash for other purposes. In addition, a loan default may result in the lender redeeming any pledged shares.

Regional Risk occurs because adverse conditions in a certain region or country can adversely affect securities of issuers in other countries whose economies appear to be unrelated. To the extent that the Income Fund invests a significant portion of its assets in a specific geographic region or a particular country, the Income Fund will generally have more exposure to the specific regional or country economic risks. In the event of economic or political turmoil or a deterioration of diplomatic relations in a region or country where a substantial portion of the Income Fund's assets are invested, the Income Fund may experience substantial illiquidity or reduction in the value of the Income Fund's investments.

Repurchase Agreement Risk is the risk that if the party agreeing to repurchase should default, the Income Fund may sell the purchased securities and incur procedural costs or delays in addition to any loss on the securities.

Restricted Securities Risk is the risk that Rule 144A Securities may not be readily marketable in broad public markets or may become illiquid. The Income Fund may not be able to sell the restricted security when Chou considers it desirable to do so and/or may have to sell the security at a lower price. In addition, transaction costs may be higher for Rule 144A securities than for more liquid securities.

Securities Lending Risk may occur when borrowers of the Income Fund's securities provide collateral in the form of cash that is reinvested in securities. The securities in which the collateral is invested may not perform sufficiently to cover the return collateral payments owed to borrowers. In addition, delays may occur in the recovery of securities from borrowers, which could interfere with the Income Fund's ability to vote proxies or to settle transactions. Securities Lending subjects the Income Fund to Leverage Risk.

Swap Contracts and Swap Caps Risk The use of swaps and swap caps involves investment techniques and risks different from those associated with ordinary portfolio security transactions. In addition, each swap and swap cap exposes the Income Fund to counterparty risk when a counterparty to a financial instrument entered into by the Income Fund may become bankrupt or otherwise fail to perform its obligations due to financial difficulties. As a result, the Income Fund may experience delays in or be prevented from obtaining payments owed to it pursuant to a swap contract. Swap caps are less liquid than swaps.

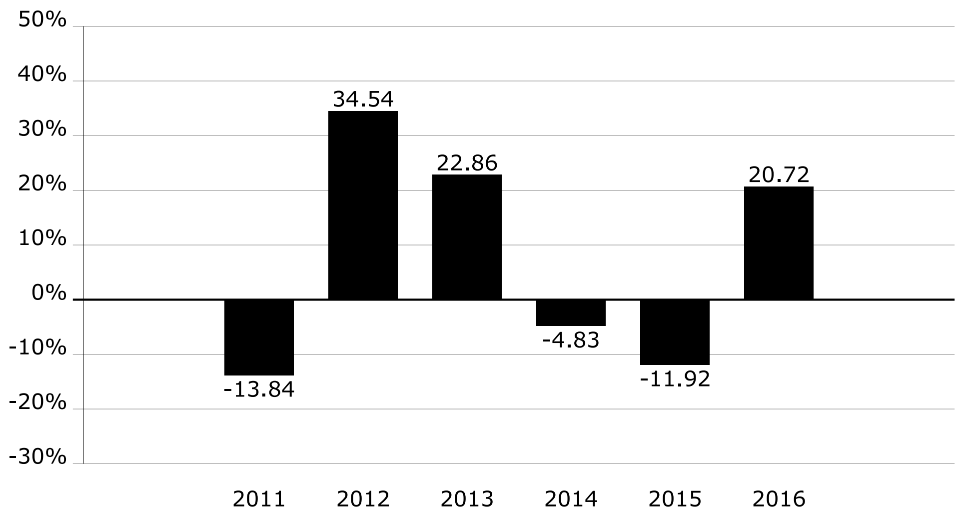
Warrants Risk is the risk that warrants can provide a greater potential for loss than an equivalent investment in the underlying security. The price of a warrant does not necessarily move in tandem with the price of the underlying security and, therefore, a warrant may be highly volatile and speculative. If a warrant held by the Income Fund is not exercised by the date of its expiration, the Income Fund would lose the entire purchase price of the warrant.

Performance Information

The following chart and table illustrate the variability of the Income Fund's returns as of December 31, 2016. The chart and table provide some indication of the risks of investing in the Income Fund by showing the changes in the performance from year to year and how the Income Fund's average annual returns for one year, five years and since inception compare to the Barclays Capital U.S. Corporate High Yield Bond Index, a broad measure of market performance. Updated performance is available at www.chouamerica.com or by calling (877) 682-6352 (toll free).

Performance information represents only past performance, before and after taxes, and does not necessarily indicate future results.

Annual Returns as of December 31



During the period shown, the highest return for a quarter was 13.76% (for the quarter ended September 30, 2012), and the lowest return was -10.73% (for the quarter ended September 30, 2011).

Average Annual Total Returns
(For the periods ended December 31, 2016)

	One Year	Five Year	Since Inception 07/01/2010
Return Before Taxes	20.72%	10.83%	8.58%
Return After Taxes on Distributions	14.29%	5.75%	3.88%
Return After Taxes on Distributions and Sale of Fund Shares	11.45%	6.25%	4.65%
Barclays Capital U.S. Corporate High Yield Bond Index (reflects no deduction for fees, expenses or taxes)	17.13%	7.36%	8.02%

Barclays Capital U.S. Corporate High Yield Bond Index measures the U.S. dollar-denominated, high yield, fixed-rate corporate bond market.

After-tax returns are calculated using the historical highest individual federal marginal income tax rates and do not reflect the impact of state and local taxes. Actual after-tax returns depend on an investor's tax situation and may differ from those shown. After-tax returns shown are not relevant to investors who hold their Fund shares through tax-deferred arrangements, such as 401(k) plans or individual retirement accounts ("IRAs").

Management

The Adviser. Chou America Management Inc. is the Income Fund's investment adviser.

Portfolio Manager. Francis S.M. Chou, Chief Executive Officer of Chou, is the Portfolio Manager of the Income Fund and is responsible for the day-to-day management of the Income Fund. Mr. Chou has been Portfolio Manager of the Income Fund since its inception on July 1, 2010.

Purchase and Sale of Income Fund Shares

You may purchase or sell (redeem) shares of the Income Fund on any day the New York Stock Exchange is open for business. You may purchase or redeem shares directly from the Income Fund by calling (877) 682-6352 (toll free) or writing to the Income Fund at Chou Income Fund, P.O. Box 588, Portland, Maine 04112. You also may purchase or redeem shares of the Income Fund through your financial intermediary. The Income Fund accepts investments in the following minimum amounts:

	Minimum Initial Investment	Minimum Additional Investment
Standard Accounts	$5,000	$500
Retirement Accounts	$5,000	$500

Tax Information

Shareholders may receive distributions from the Income Fund, which may be taxed to shareholders other than tax-exempt investors (such as tax-deferred retirement plans and accounts which may be taxed upon withdrawal of monies from the tax-deferred arrangement) as ordinary income or capital gains.

Payments to Broker-Dealers and Other Financial Intermediaries

If you purchase the Income Fund through a broker-dealer or other financial intermediary (such as a bank), the Income Fund and its related companies may pay the intermediary for the sale of Income Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Income Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

Additional Information Regarding the Funds

Investment Objective

The investment objectives of the Chou Opportunity Fund and Chou Income Fund (each, a "Fund", together, the "Funds") are non-fundamental, which means that they can be changed by the Board without a shareholder vote. A Fund will notify shareholders in advance of a change in its investment objective.

Detailed Strategies of the Chou Opportunity Fund

The Opportunity Fund seeks to invest primarily in the equity securities of companies located in developed and emerging markets throughout the world that Chou believes are available at market prices less than their value. Chou's value-oriented approach to investing involves a detailed analysis of the strength of individual companies, with less emphasis on short-term market factors. Greater importance is placed on an assessment of a company's balance sheet, cash flow characteristics, profitability, industry position, special strengths, future growth potential and management ability. Chou examines each security separately and does not apply these factors according to any predetermined formula. Chou follows strong disciplines with regard to the price of portfolio securities. The extent to which the Opportunity Fund will invest in a particular company is generally commensurate with the price of the company's securities in relation to its intrinsic value. This approach is designed to reduce overall portfolio risk. The equity securities in which the Opportunity Fund invests include common and preferred stock, convertible securities, ADRs, pooled investment vehicles, including private equity and hedge funds, rights and warrants.

The Opportunity Fund will focus its investment in areas where Chou finds the most compelling opportunities and on situations that, in Chou's opinion, have the potential for growth of capital. In order to maintain investment flexibility, Chou has not established guidelines as to the size of an issuer, its earnings or the industry in which it operates in order for a security to be eligible for purchase by the Opportunity Fund.

Once an investment is made, the Opportunity Fund expects to be a patient, long-term investor, which results in low portfolio turnover, reduced transaction costs and deferred realization of accrued capital gains. Portfolio holdings are typically concentrated in 10 to 35 securities. This helps to maintain awareness of corporate developments and communications issued by each portfolio company. However, this concentration can also increase the risk of investing in the Opportunity Fund. The Opportunity Fund may sell a security if Chou believes that: (1) the market has recognized the security's full potential value; (2) the security's fundamentals have deteriorated; or (3) alternative investments have become more attractive.

The Opportunity Fund may also invest globally in debt securities, including government and corporate debt, high yield debt, commercial paper, loans and loan participation interests, mortgage or asset backed securities and repurchase agreements. The Opportunity Fund will invest in debt securities based on their overall potential for capital appreciation, and therefore, such debt securities will have varying maturity dates. Chou may decide to invest the Opportunity Fund's debt investments in short-term fixed-income securities or bank deposits during periods deemed by Chou to be of high market valuations and volatility. Such short-term fixed-income securities may include money market funds that invest principally in U.S. Treasury bills, notes and bonds and repurchase agreements backed by such securities. This strategy may permit Chou to protect capital while awaiting more favorable market conditions.

The Opportunity Fund also may invest in income trusts, bank debt and deposits, lower-rated, distressed or defaulted debt securities, comparable unrated debt securities or other indebtedness (or participations in the indebtedness) of such companies. The debt securities which the Opportunity Fund may purchase may either be unrated, or rated in any rating category established by one or more independent rating organizations, such as S&P or Moody's. The Opportunity Fund may invest in securities that are rated in the medium to lowest rating categories by S&P and Moody's, some of which may be so-called "junk bonds" or distressed debt ("Baa3" or lower by Moody's or "BBB-" or lower by S&P").

Chou does not have a target allocation between debt and equity securities in the Opportunity Fund, rather Chou makes investment allocations based on market conditions that may create opportunities that further the investment objective of long-term growth of capital. Under normal circumstances this allocation between debt and equity securities will not affect the Opportunity Fund's strategy to invest primarily in equity instruments.

The Opportunity Fund may use financial instruments (including derivatives) as investments or in an attempt to: (1) limit or hedge against losses that may occur because of the Opportunity Fund's investment in a security or exposure to a currency or market; (2) obtain exposure to one or more investments, such as a security, currency, interest rate, or index; (3) reduce transaction costs; (4) create liquidity; and/or (5) increase the speed of portfolio transactions. These financial instruments include: constant maturity swaps, total return swaps, interest rate swaps, and credit default swaps ("CDS"); options, including covered call options; forward foreign currency exchange contracts; currency futures contracts, currency swaps, options on currencies, or options on currency futures. The Opportunity Fund also may use constant maturity swap caps, curve steepeners and other types of financial instruments as a hedge against inflation.

The Opportunity Fund may lend securities in its portfolio in order to earn additional income and manage its portfolio. Cash collateral received in connection with a loan of a portfolio security will generally be invested in short-term investments such as repurchase agreements or money market funds.

Detailed Strategies of the Chou Income Fund

Under normal market conditions, the Income Fund will invest at least 80% of its net assets in fixed-income securities (which includes other forms of indebtedness), financial instruments that provide exposure to fixed-income securities, and preferred stock. Chou will use a combination of investment strategies to manage the Income Fund's portfolio, including relative value trades, yield enhancement strategies and interest rate anticipation trades.

The Income Fund's fixed-income investments principally will include U.S. and non-U.S. government and municipal securities, distressed securities, corporate debt (both investment grade and below-investment grade), income trusts, bank debt and deposits, commercial paper, variable and floating rate securities, Rule 144A securities, pay-in-kind securities, loan participation interests, mortgage or asset-backed securities, preferred stock and convertible securities. The Income Fund also may invest in money market funds that invest principally in U.S. Treasury bills, notes and bonds and repurchase agreements backed by such securities. The Income Fund also may, without limitation, seek to obtain market exposure to the securities in which it invests by entering into a series of purchase and sale contracts or by using other investment techniques. Portfolio holdings are typically concentrated without limits as to factors such as geography, the size of an issuer, the issuer's earnings or the industry in which an issuer operates.

The Income Fund may invest in distressed securities and corporate debt that are rated below-investment grade. Although distressed securities and corporate debt rated below-investment grade securities are particularly speculative investments, Chou believes they provide the opportunity for enhanced income and capital appreciation. The Income Fund does not limit the amount of its portfolio that may be invested in distressed and below-investment grade debt. Chou may also invest the Income Fund's assets in short-term fixed-income securities or bank deposits during periods of high market valuations and volatility. This strategy may permit Chou to preserve capital while awaiting more favorable market conditions.

The Income Fund may invest up to 20% of its net assets in equity securities (other than preferred stock and convertible securities), including common stock, ADRs, pooled investment vehicles, including private equity and hedge funds, rights and warrants.

The Income Fund may use financial instruments (including derivatives) as investments or in an attempt to: (1) limit or hedge against losses that may occur because of the Income Fund's investment in a security or exposure to a currency or market; (2) obtain exposure to one or more investments, such as a security, currency, interest rate, or index; (3) reduce transaction costs; (4) create liquidity; and/or (5) increase the speed of portfolio transactions. These financial instruments include: constant maturity swaps, total return swaps, interest rate swaps, and credit default swaps ("CDS"); options, including covered call options; forward foreign currency exchange contracts; and currency futures contracts, currency swaps, options on currencies, or options on currency futures. The Income Fund also may use constant maturity swap caps, curve steepeners and other types of financial instruments as a hedge against inflation. In addition, the Income Fund may purchase shares of equities and simultaneously sell call options as a way to generate investment return.

The Income Fund may lend securities in its portfolio in order to earn additional income and manage its portfolio. Cash collateral received in connection with a loan of a portfolio security will generally be invested in short-term investments such as repurchase agreements or money market funds.

Distressed and Below-Investment Grade Securities

Each Fund may invest in distressed and below-investment grade securities. Such distressed securities in which the Funds may invest include debt securities: (i) issued by companies in bankruptcy reorganization proceedings; (ii) subject to public or private debt restructuring; (iii) otherwise in default or at significant risk of being in default as to the payment of interest or repayment of principal; or (iv) trading at prices substantially below other below-investment grade debt securities of companies in similar industries. The distressed and below-investment grade securities in which the Funds invest are generally rated in the lower rating categories ("Baa3" or lower by Moody's or "BBB-" or lower by S&P) or, if unrated, are determined to be of comparable quality by Chou. The ratings of a rating agency with respect to distressed securities and below-investment grade securities represent its opinion as to the quality of securities it undertakes to rate. Ratings are not absolute standards of quality; consequently, securities with the same maturity, duration, coupon and rating may have different yields.

Derivatives Transactions

Each Fund may enter into derivatives transactions as investments or as an attempt to limit, or hedge against, losses that may occur because of a Fund's investment in a security or exposure to a currency or market, or to obtain exposure to the underlying investment(s), reduce transaction costs, create liquidity or increase the speed of portfolio transactions. Each Fund may invest in a wide range of derivative investments including, but not limited to, constant maturity swaps, curve steepeners, total return swaps, interest rate swaps, and CDSs. In addition, each Fund may use options to hedge the investment portfolio, principally through buying puts and selling covered calls. The Portfolio Manager may elect to invest up to 15% of each Fund's total assets in these types of derivative transactions with the exception of selling covered calls, which the Portfolio Manager may elect to sell on a Fund's portfolio positions. To the extent that a Fund engages in a currency hedging strategy, the Fund will primarily engage in forward foreign currency exchange contracts. Each Fund may also engage in other currency transactions such as currency futures contracts, currency swaps, options on currencies, or options on currency futures. Each Fund will limit the notional amount of currency hedges to a maximum of 100% of the value of the Fund's assets at the time the transaction is consummated.

Temporary Defensive Measures

As a temporary defensive measure because of adverse market, economic or other conditions, a Fund may invest up to 100% of its assets in high-quality, short-term debt instruments or may take positions that are inconsistent with its principal investment objective and/or strategies. To the extent that a Fund invokes this strategy, its ability to achieve its investment objective may be affected adversely.

Detailed Information on Risk Factors

The greatest risk of investing in a mutual fund is that its returns will fluctuate and you could lose money. Turbulence in financial markets and reduced liquidity in equity, credit and fixed-income markets may negatively affect many issuers worldwide, which could have an adverse effect on the Funds. The following information describes each Fund's principal and non-principal risk factors in light of the Fund's investment strategies:

Principal Risk Factors	Opportunity Fund	Income Fund
Below-Investment Grade Securities Risk	X	X
Common Stock Risk	X	X
Concentration Risk	X	X
Convertible Securities Risk	X	X
Covered Call Option Risk	X	X
Credit Risk	X	X
Currency Risk	X	X
Derivatives Risk	X	X
Distressed Securities Risk	X	X
Emerging Markets Risk	X	X
Equity Securities Risk (including ADR Risk)	X	X
Fixed-Income Securities Risk	X	X
Focused Portfolio Risk	X	X
Foreign Investments Risk	X	X
Forward Contracts Risk	X	X
Futures Contracts Risk	X	X
Hedging Risk	X	X
Interest Rate Risk	X	X
Issuer Risk	X	X
Liquidity Risk	X	X
Loans and Loan Participation Interests Risk	X	X
Manager Risk	X	X
Market Events Risk	X	X
Mortgage-Related and Other Asset-Backed Risk	X	X
Municipal Securities Risk		X
Non-Diversification Risk	X	X
Options Risk	X	X

Principal Risk Factors	Opportunity Fund	Income Fund
Pay-In-Kind Securities Risk		X
Pooled Investment Vehicle Risk	X	X
Preferred Stock Risk	X	X
Prepayment Risk	X	X
Redemption Risk	X	X
Regional Risk	X	X
Repurchase Agreement Risk	X	X
Restricted Securities Risk		X
Securities Lending Risk	X	X
Swap Contracts and Swap Caps Risk	X	X
Value Style Risk	X	
Variable and Floating Interest Rate Risk		X
Warrants Risk	X	X
Non-Principal Risk Factors		
Market Timing Risk	X	X
Refinancing Risk	X	X
Short Selling Risk	X	X

Each Fund's NAV and investment return will fluctuate based upon changes in the value of its portfolio securities. You could lose money on your investment in the Fund or the Fund could underperform other investments. An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Below-Investment Grade Securities Risk. Investments in securities rated below-investment grade, or "junk bonds," generally involve significantly greater risks of loss of your money than an investment in investment grade bonds. Issuers of high-yield securities are not as strong financially as those with higher credit ratings, so the securities are usually considered speculative investments. These issuers are more vulnerable to financial difficulties and weak economic periods than more creditworthy issuers, which may impair their ability to make interest and principal payments. Rising interest rates may compound these difficulties and reduce an issuer's ability to repay principal and interest obligations. Issuers of lower-rated securities also have a greater risk of default or bankruptcy. Additionally, due to the greater number of considerations involved in the selection of a Fund's securities, the achievement of the Fund's objective depends more on the skills of the Portfolio Manager than investing only in higher rated securities. Therefore, your investment may experience greater volatility in price and yield. High-yield securities may be less liquid than higher quality investments. A security whose credit rating has been lowered may be particularly difficult to sell.

Common Stock Risk. Common stocks may decline in value because of changes in the price of a particular issuer or a broad stock market decline. These fluctuations could be a drastic movement or a sustained trend. The value of a security may decline for a number of reasons which may relate directly to the issuer of a security, such as management performance, financial leverage and reduced demand for the issuer's goods or services or broader economic or market events, including changes in interest rates. Common stocks in general are subject to the risk of an issuer liquidating or declaring bankruptcy, in which case the claims of owners of the issuer's debt securities and preferred stock take precedence over the claims of common stockholders.

Concentration Risk. Each Fund may concentrate up to, but less than, 25% of its investments in an industry or industries. Because of this, the performance of the Funds may be tied closely to and be affected by developments in that industry. The value of the Funds' shares may fluctuate more than shares of a fund investing in a broader range of industries.

Convertible Securities Risk. The Funds' investments in convertible securities entail some of the risks of both equity and debt securities. The value of convertible securities tends to decline as interest rates rise and, because of the conversion feature, tends to vary with the fluctuations in the market value of the underlying securities. Convertible securities often display a degree of market price volatility that is comparable to common stocks and are also subject to additional risks, including risk of default on interest or principal payments which could result in a loss of income from or a decline in value of the securities.

Covered Call Option Risk. The purchaser of a call option has the right to any appreciation in the value of the security over the exercise price on the expiration date. Because the exercise of options is settled in cash, sellers of call options, such as the Funds, cannot provide in advance for their potential settlement obligations by acquiring and holding the underlying securities. The premium the Funds receive is the maximum profit the Funds can realize from the option. The loss potential from writing an uncovered option is generally unlimited. The value of options written by the Funds, which will be priced daily, will be affected by changes in the value of and dividend rates of the underlying security on which an option is written, changes in the actual or perceived volatility of the stock market and the remaining time to the options. The value of options also may be adversely affected if the market for the options becomes less liquid or smaller.

Credit Risk. The financial condition of an issuer of a debt security may cause it to default or become unable to pay interest or principal due on the security. If an issuer defaults, the affected security could lose all of its value, be renegotiated at a lower interest rate or principal amount, or become illiquid. Higher yielding debt securities of lower credit quality have greater credit risk than lower yielding securities with higher credit quality. The Funds may invest in debt securities that are issued by U.S. Government sponsored entities such as the Federal National Mortgage Association, the Federal Home Loan Mortgage Association, and the Federal Home Loan Banks. Investments in these securities involve credit risk as they are not backed by the full faith and credit of the U.S. Government. The Funds may invest in Collateralized/Guaranteed Mortgage Obligations ("CMOs"). CMOs are divided into classes (often referred to as "tranches") and certain tranches of CMOs have priority over other classes. No payment of principal will be made on any tranche until all other tranches with earlier stated maturity or distribution dates have been paid in full.

Currency Risk. Because the Funds invest directly in foreign (non-U.S.) currencies or in securities that trade in, and receive revenues in, foreign currencies, or in derivatives that provide exposure to foreign currencies, the Funds will be subject to the risk that those currencies will decline in value relative to the U.S. dollar, or, in the case of hedging positions, that the U.S. dollar will decline in value relative to the currency being hedged. Currency rates in foreign countries may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or foreign governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the United States or abroad. As a result, a Fund's investments in foreign currency-denominated securities may reduce the returns of the Fund.

Derivatives Risk. Derivatives are financial instruments that have a value which depends upon, or is derived from, a reference asset, such as one or more underlying securities, pools of securities, options, futures, indexes, interest rates or currencies. Derivatives may result in investment exposures that are greater than their cost would suggest; in other words, a small investment in a derivative may have a large impact on the Funds' performance. The successful use of derivatives generally depends on the manager's ability to predict market movements.

The Funds may use derivatives as a substitute for taking a position in the reference asset; under such circumstances, the derivatives may have economic characteristics similar to those of the reference asset, and the Funds' investments in the derivatives may be applied toward meeting a requirement to invest in instruments with such characteristics. The Funds may use derivatives to hedge (or reduce) its exposure to a portfolio asset or risk. The Funds may also use derivatives to manage cash.

Derivatives are subject to a number of risks described elsewhere in this section, such as liquidity risk, interest rate risk, credit risk, leverage risk and general market risks. The Funds' use of derivatives may entail risks greater than, or possibly different from, such risks and other Principal Risks to which the Funds are exposed, as described below. Certain of the different risks to which the Funds might be exposed due to their use of derivatives include the following:

- *Correlation Risk* is the risk that derivative instruments may be mispriced or improperly valued and that changes in the value of the derivatives may not correlate perfectly with the underlying asset or security.

- *Counterparty Risk* The Funds may invest in financial instruments involving counterparties for the purpose of attempting to gain exposure to a particular group of securities or asset class without actually purchasing those securities or investments, or to hedge a position. These financial instruments may include swap agreements and structured notes. The use of swap agreements involves risks that are different from those associated with ordinary portfolio securities transactions. For example, a Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. Swap agreements also may be considered to be illiquid. In addition, a Fund may enter into swap agreements that involve a limited number of counterparties, which may increase the Fund's exposure to counterparty credit risk.

- *Credit Derivative Risk* is the risk associated with the use of credit derivatives, a highly specialized activity that involves strategies and risks different from those with ordinary portfolio security transactions. If Chou is incorrect in its forecast of default risks, market spreads or other applicable factors, the Funds' investment performance would diminish compared with what it would have been if these techniques were not used. Moreover, even if Chou is correct in its forecast, there is a risk that a credit derivative position may correlate imperfectly with the price of the asset or liability being hedged. The Funds' risk of loss in a credit derivative transaction varies with the form of the transaction.

- *Leverage Risk* is created when an investment exposes a Fund to a level of risk that exceeds the amount invested. Changes in the value of such an investment magnify the Fund's risk of loss and potential for gain.

- *Segregation Risk* is the risk associated with any requirement, which may be imposed on the Funds, to segregate assets or enter into offsetting positions in connection with investments in derivatives. Such segregation will not limit the Funds' exposure to loss, and the Funds may incur investment risk with respect to the segregated assets to the extent that, but for the applicable segregation requirement, the Funds would sell the segregated assets.

- *Volatility Risk* is the risk that, because the Funds may use some derivatives that involve economic leverage, this economic leverage will increase the volatility of the derivative instruments as they may increase or decrease in value more quickly than the underlying currency, security, interest rate or other economic variable.

Distressed Securities Risk. Distressed securities frequently do not produce income while they are outstanding. A Fund may be required to incur certain extraordinary expenses in order to protect and recover its investment. Therefore, to the extent that a Fund seeks capital appreciation through investment in distressed securities, the Fund's ability to achieve current income may be diminished. A Fund also will be subject to significant uncertainty as to when, in what manner and for what value the obligations evidenced by the distressed securities will eventually be satisfied (*e.g.,* through a liquidation of the obligor's assets, an exchange offer or plan or reorganization involving the distressed securities or a payment of some amount in satisfaction of the obligation). In addition, even if an exchange offer is made or a plan of reorganization is adopted with respect to the distressed securities held by a Fund, there can be no assurance that the securities or other assets received by the Fund in connection with such exchange offer or plan of reorganization will not have a lower value or income potential than may have been anticipated when the investment was made. Moreover, any securities received by a Fund upon completion of an exchange offer or plan of reorganization may be restricted as to resale. As a result of a Fund's participation in negotiations with respect to any exchange offer or plan of reorganization with respect to an issuer of distressed securities, the Fund may be restricted from disposing of such securities.

Emerging Markets Risk. Because investing in emerging markets can have more risk than investing in developed foreign markets, an investment in a Fund may have the following additional risks:

- Information about the companies in these countries is not always readily available.

- Stocks of companies traded in these countries may be less liquid, and the prices of these stocks may be more volatile than the prices of the stocks in more established markets.

- Greater political and economic uncertainties exist in emerging markets than in developed foreign markets.

- The securities markets and legal systems in emerging markets may not be well developed and may not provide the protections and advantages of the markets and systems available in more developed countries.

- Very high inflation rates may exist in emerging markets and could negatively impact a country's economy and securities markets.

- Emerging markets may impose restrictions on the Fund's ability to repatriate investment income or capital and, thus, may adversely effect the operations of the Fund.

- Certain emerging markets impose constraints on currency exchange, and some currencies in emerging markets may have been devalued significantly against the U.S. dollar.

Governments of some emerging markets exercise substantial influence over the private sector and may own or control many companies. As such, governmental actions could have a significant effect on economic conditions in emerging markets, which, in turn, could affect the value of the Fund's investments. Such governments may seize the assets of firms operating under their jurisdiction.

Equity Securities Risk (including ADR Risk). The value of the Funds' equity security holdings, including common and preferred stock, may decline in value because of changes in prices a particular holding or a broad stock market decline. These fluctuations could be a drastic movement or sustained trend. The value of a security may decline for a number of reasons which directly relate to the issuer of a security, such as management performance, financial leverage and reduced demand for the issuer's goods or services. Common stocks in general are subject to the risk of an issuer liquidating or declaring bankruptcy, in which case the claims of owners of the issuer's debt securities and preferred stock take precedence over the claims of common stockholders. ADRs may be subject to some of the same risks as direct investment in foreign companies, including greater fluctuations in price, changes in political and/or economic stability, tax law changes, international trade policies and currency fluctuations.

Fixed-Income Securities Risk. The Funds may invest in fixed-income (debt) securities or other indebtedness whose value depends generally on an issuer's credit rating and the interest rate of the security. Fixed-income securities are generally subject to the following risks: credit risk, interest rate risk, prepayment risk, and variable and floating interest rate risk.

Focused Portfolio Risk. Each Fund's portfolio may be invested in relatively fewer individual securities relative to other more diversified funds with larger portfolios. The increase or decrease in the value of a single position held by the Funds may have a greater impact on the Funds' NAV and total return than if the Funds were more broadly invested.

Foreign Investments Risk. The Funds' foreign investments may have the following additional risks:

- Foreign securities may be subject to greater fluctuations in price than securities of U.S. companies because foreign markets may be smaller and less liquid than U.S. markets.
- Changes in foreign tax laws, exchange controls, investment regulations and policies on nationalization and expropriation as well as political instability may affect the operations of foreign companies and the value of their securities.
- Fluctuations in currency exchange rates and currency transfer restitution may adversely affect the value of the Fund's investments in foreign securities, which may be determined or quoted in currencies other than the U.S. dollar.
- Foreign securities and their issuers are not subject to the same degree of regulation regarding information disclosure, insider trading and market manipulation, and they may not be subject to uniform accounting, auditing, and financial standards.
- There may be less publicly available information on foreign companies.
- Foreign securities registration, custody and settlements may be subject to delays or other operational and administrative problems.
- Certain foreign brokerage commissions and custody fees may be higher than those in the U.S.
- Dividends receivable on the foreign securities contained in the Fund's portfolio may be subject to foreign withholding taxes, thus reducing the income available for distribution to the Fund's shareholders.
- The Funds are subject to the risk of market timing activities because of price differentials that may be reflected in the NAV of the Fund's shares. A Fund generally prices its foreign securities using their closing prices from the foreign markets in which they trade, typically prior to the Funds' calculation of its NAV. These prices may be affected by events that occur after the close of a foreign market but before a Fund prices its shares. Although a Fund may fair value foreign securities in such instances, investors may engage in frequent short-term trading to take advantage of any arbitrage opportunities in the pricing of the Fund's shares. There is no assurance that fair valuation of securities can reduce or eliminate market timing.

Forward Contracts Risk. A Fund bears the risk of loss of the amount expected to be received under a forward contract in the event of the default or bankruptcy of a counterparty. If such a default occurs, the Fund will have contractual remedies pursuant to the forward contract, but such remedies may be subject to bankruptcy and insolvency laws which could affect the Fund's rights as a creditor. Forward currency transactions include risks associated with fluctuations in foreign currency.

Futures Contracts Risk. There may be an imperfect correlation between the changes in market value of the securities held by a Fund and the prices of futures contracts. There may not be a liquid secondary market for the futures contracts.

Hedging Risk. Hedging risk is the risk that derivative instruments used to hedge against an opposite position may offset losses, but they may also offset gains. There is no guarantee that a hedging strategy will eliminate the risk which the hedging strategy is intended to offset, which may lead to losses within a Fund.

Interest Rate Risk. Investments in investment-grade and non-investment grade fixed-income securities are subject to interest rate risk. The value of a Fund's investments typically will fall when interest rates rise. A Fund is particularly sensitive to changes in interest rates because it may invest in debt securities with intermediate and long terms to maturity. Debt securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than debt securities with shorter durations. Yields of debt securities will fluctuate over time. In addition, spreads on certain fixed-income investments can widen suddenly and sharply, negatively impacting the value of the underlying security. This can occur in both investment and non-investment grade securities.

Issuer Risk. The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

Liquidity Risk. Limitations on resale may have an adverse effect on the marketability of a security and the Funds may also have to register a restricted security in order to dispose of it, resulting in expense and delay. The Funds may not be able to dispose of restricted or illiquid securities promptly or at reasonable prices and may thereby experience difficulty satisfying redemption requests. The Funds may not purchase a security if such purchase would cause more than 15% of its total assets in securities to be not readily marketable.

Loans and Loan Participation Interests Risks. Loan interests are a form of direct debt instrument in which the Funds may invest by taking an assignment of all or a portion of an interest in a loan previously held by another institution or by acquiring a participation in an interest in a loan that continues to be held by another institution. When a Fund purchases a loan by assignment, the Fund typically succeeds to the rights of the assigning lender under the loan agreement and becomes a lender under the loan agreement. Subject to the terms of the loan agreement, the Fund typically succeeds to all the rights and obligations under the loan agreement of the assigning lender. However, assignments may be arranged through private negotiations between potential assignees and potential assignors, and the rights and obligations acquired by the purchaser of an assignment may differ from, and be more limited than, those held by the assigning lender. The Fund's rights under a participation interest with respect to a particular loan may be more limited than the rights of original lenders or of investors who acquire an assignment of that loan. In purchasing participation interests, the Fund will have the right to receive payments of principal, interest and any fees to which it is entitled only from the lender selling the participation interest (the "participating lender") and only when the participating lender receives the payments from the borrower.

Manager Risk. The strategies used by the Funds' Portfolio Manager may fail to produce the intended result. The Portfolio Manager's assessment of companies or the securities which are purchased for a Fund may prove incorrect, resulting in losses or poor relative performance even in rising markets.

Market Events Risk. It is important that investors closely review and understand the risks of investing in the Funds. Turbulence in the financial markets and reduced liquidity in equity, credit and fixed-income markets may negatively affect issuers worldwide, which could have an adverse effect on the Funds.

Market Timing Risk. Due to specific securities the Funds may invest in, the Funds could be subject to the risk of market timing activities by fund shareholders. Examples of these types of securities include high-yield, small-cap and foreign securities. Foreign securities typically offer the greatest opportunity for these market timing activities. The Funds generally price these foreign securities using their closing prices from the foreign markets in which they trade, typically prior to the Funds' calculation of their NAV. These prices may be affected by events that occur after the close of a foreign market, but before the Funds price their shares. In such instances, the Funds may fair value foreign securities. Some investors, however, may engage in frequent short-term trading in the Funds to take advantage of any price differentials that may be reflected in the NAV of the Funds' shares. There is no assurance that fair valuation of securities can reduce or eliminate market timing. While Chou monitors trading in the Funds, there is no guarantee that it can detect all market timing activities.

Mortgage-Related and Other Asset-Backed Securities Risk. Each Fund may invest in a variety of mortgage-related and other asset-backed securities, which are subject to certain additional risks. Generally, rising interest rates tend to extend the duration of fixed rate mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, a Fund that holds mortgage-related securities may exhibit additional volatility. This is known as extension risk. In addition, adjustable and fixed rate mortgage-related securities are subject to prepayment risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of a Fund because the Fund may have to reinvest that money at the lower prevailing interest rates. Each Fund's investments in other asset-backed securities are subject to risks similar to those associated with mortgage-related securities, as well as additional risks associated with the nature of the assets and the servicing of those assets.

Municipal Securities Risk. The amount of public information available about municipal securities is generally less than that for corporate securities. Special factors, such as legislative changes, and economic and business developments, may adversely affect the yield and/or value of the Income Fund's investments in municipal securities. The municipal securities market also could be significantly affected by adverse political changes, as well as uncertainties in the municipal securities market related to taxation or the rights of security holders. Other factors include the general conditions of the municipal securities market, the size of the particular offering, the maturity of the obligation and the rating of the issue. Changes in economic, business or political conditions relating to a particular municipal project, municipality, or state in which the Income Fund's invests may have an impact on the Income Fund's share price. Municipal securities backed by current or anticipated revenues from a specific project or specific asset may be adversely impacted by declines in revenue collection from the project or asset.

Non-Diversification Risk. The Funds are non-diversified. Performance of a non-diversified fund may be more volatile than performance of a diversified fund because a non-diversified fund may invest a greater percentage of its total assets in the securities of a single issuer. Greater investment in a single issuer makes the Fund more susceptible to financial, economic or market events impacting such issuer.

Options Risk. A Fund's investment in options may have additional risks. The success of a Fund's investment in options depends upon many factors, such as the price of the options which is a function of interest rates, volatility, dividends, the exercise price, stock price and other market factors. These factors may change rapidly over time. There may also be an imperfect correlation between the prices of options and movements in the price of the securities (or interest rates or indices) hedged or used for cover which may cause a given hedge not to achieve its objective. In addition, each over-the-counter ("OTC") option exposes a Fund to counterparty risk, and Chou may determine to concentrate any or all of its OTC option transaction with a single counterparty or a small group of counterparties. If a counterparty defaults, a Fund's only recourse will be to pursue contractual remedies against the counterparty, and the Fund may be unsuccessful in its pursuit. A Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to an OTC options transaction.

Pay-In-Kind Securities Risk. Pay-in-kind securities are securities that pay interest through the issuance of additional debt or equity securities. Pay-in-kind securities carry the risk that holders of these types of securities realize no cash until the cash payment date unless a portion of such securities is sold. If the issuer defaults, the Income Fund may obtain no return at all on its investment. The market price of pay-in-kind securities is affected by interest rate changes to a greater extent, and therefore tends to be more volatile, than that of securities which pay interest in cash.

Pooled Investment Vehicle Risk. Each Fund may invest in pooled investment vehicles, including private equity and hedge funds, and will bear its ratable share of these vehicles' expenses, including their management and performance fees. The fees that a Fund pays to invest in a pooled investment vehicle may be higher than if the manager of the pooled investment vehicle, including a subadviser, managed the Fund's assets directly. The incentive fees charged by the investment vehicles may create an incentive for the manager of the investment vehicle to make investments that are riskier or more speculative than those it might have made in the absence of an incentive fee.

Preferred Stock Risk. Preferred stocks are subordinated to bonds and other debt instruments in a company's capital structure and therefore will be subject to greater credit risk than those debt instruments. In addition, preferred stock are subject to other risks:

- *Limited voting rights.* Generally, preferred stock holders (such as a Fund) have no voting rights with respect to the issuing company unless preferred dividends have been in arrears for a specified number of periods, at which time the preferred stock holders may elect a number of directors to the issuer's board. Generally, once all the arrearages have been paid, the preferred stock holders no longer have voting rights. In the case of certain preferred stock, holders generally have no voting rights, except (i) if the issuer fails to pay dividends for a specified period of time or (ii) if a declaration of default occurs and is continuing. In such an event, preferred security holders generally would have the right to appoint and authorize a trustee to enforce the trust or special purpose entity's rights as a creditor under the agreement with its operating company.

- *Special redemption rights*. In certain circumstances, an issuer of preferred stock may redeem the securities prior to their stated maturity date. For instance, for certain types of preferred stock, a redemption may be triggered by a change in federal income tax or securities laws. As with call provisions, a redemption by the issuer may negatively impact the return of the security held by the Fund.

- *Payment deferral*. Generally, preferred stock may be subject to provisions that allow an issuer, under certain conditions, to skip ("non-cumulative" preferred stock) or defer ("cumulative" preferred stock) distributions. Non-cumulative preferred stock can defer distributions indefinitely. Cumulative preferred stocks typically contain provisions that allow an issuer, at its discretion, to defer distributions payments for up to 10 years. If the Fund owns a preferred security that is deferring its distribution, the Fund may be required to report income for tax purposes while it is not receiving any income.

- *Liquidity.* Preferred stocks may be substantially less liquid than many other securities, such as U.S. government securities or common stock.

- *Financial services industry.* The preferred stock market is comprised predominately of securities issued by companies in the financial services industry. Therefore, preferred stocks present substantially increased risks at times of financial turmoil, which could affect financial services companies more than companies in other sectors and industries.

- *Tax risk*. The Fund may invest in preferred stocks or other securities the federal income tax treatment of which may not be clear or may be subject to recharacterization by the Internal Revenue Service. It could be more difficult for the Fund to comply with the tax requirements applicable to regulated investment companies if the tax characterization of the Fund's investments or the tax treatment of the income from such investments were successfully challenged by the Internal Revenue Service.

- *Regulatory risk*. Issuers of preferred stocks may be in industries that are heavily regulated and that may receive government funding. The value of preferred stock issued by these companies may be affected by changes in government policy, such as increased regulation, ownership restrictions, deregulation or reduced government funding.

Prepayment Risk. Issuers may experience acceleration in prepayments of mortgage loans or other receivables backing the issuers' securities when interest rates decline, which can shorten the maturity of the security and reduce the Funds' return. Issuers may also prepay their obligations on fixed rate debt securities when interest rates fall, forcing the Funds to invest in securities with lower interest rates.

Redemption Risk. The Funds could experience a loss when selling securities to meet redemption requests by shareholders. The risk of loss increases if the redemption requests are unusually large or frequent or occur in times of overall market turmoil or declining prices. The Funds may suspend redemptions or the payment of redemption proceeds when permitted by applicable regulations.

The Funds each currently have a large shareholder controlled by the Funds' Portfolio Manager. The shareholder has, and may continue to, pledge some or all of its shares of each Fund to secure loans. The shareholder may redeem shares at any time to repay its loans or to raise cash for other purposes. In addition, a loan default may result in the lender redeeming any pledged shares.

Refinancing Risk. Each Fund is subject to the risk that a company will not be able to refinance its existing debt prior to the maturity date of that debt. Principal reasons this would occur include significant deterioration in the fundamentals of the issuer as well as economic and financial shocks that impact the ability of the capital markets to function properly.

Regional Risk. Adverse conditions in a certain region or country can adversely affect securities of issuers in other countries whose economies appear to be unrelated. To the extent that the Fund invests a significant portion of its assets in a specific geographic region or a particular country, the Fund will generally have more exposure to the specific regional or country economic risks. In the event of economic or political turmoil or a deterioration of diplomatic relations in a region or country where a substantial portion of the Fund's assets are invested, the Fund may experience substantial illiquidity or reduction in the value of the Fund's investments.

Repurchase Agreement Risk. The Funds may enter into repurchase agreements. The risks associated with these types of transactions arise if the other party to the agreement defaults or goes bankrupt and the Funds experience losses or delays in recovering their investments. In a repurchase transaction, the Funds could incur a loss if the value of the securities sold has increased in value relative to the value of the cash or collateral held by the Funds.

Restricted Securities Risk. Rule 144A securities, which are restricted securities, may be less liquid investments than registered securities because Rule 144A securities may not be readily marketable in broad public markets. A Rule 144A restricted security carries the risk that the Income Fund may not be able to sell the security when Chou considers it desirable to do so and/or may have to sell the security at a lower price. In addition, transaction costs may be higher for Rule 144A securities than for more liquid securities. Although there is a substantial institutional market for Rule 144A securities, it is not possible to predict exactly how the market for Rule 144A securities will develop. A restricted security that when purchased was liquid in the institutional markets may subsequently become illiquid.

Securities Lending Risk. Borrowers of a Fund's securities typically provide collateral in the form of cash that is reinvested in securities. The securities in which the collateral is invested may not perform sufficiently to cover the return collateral payments owed to borrowers. In addition, delays may occur in the recovery of securities from borrowers, which could interfere with a Fund's ability to vote proxies or to settle transactions.

Short Selling Risk. Each Fund may engage in short sales of securities. Short selling is borrowing a security and then selling it. If a Fund buys back the security at a higher price, the Fund will incur a loss on the transaction. Short sales may involve additional transactions costs and other expenses that may exceed the return on the position, which may cause the Funds to lose money. Short sales may increase the volatility and decrease the liquidity of certain securities or positions, or a Fund as a whole, and may lower a Fund's returns or result in a loss. In addition, there is no guarantee that the Funds will be permitted to continue to engage in short sales, which are designed to earn the Fund a profit from the decline of the price of a security.

Swap Contracts and Swap Caps Risk. Each Fund may engage in interest rate, currency, and equity swaps and CDSs, constant maturity swap caps, and related instruments, which require Chou to forecast, among other things, interest rate movements, currency fluctuations, market values and the likelihood of credit event for a securities issuer. Such forecasting is inherently difficult and entails investment risk. The use of swaps and swap caps involves investment techniques and risks different from those associated with ordinary portfolio security transactions. There is no guarantee that a Fund will be able to eliminate its exposure under an outstanding swap by entering into an offsetting swap, and the Fund may not assign a swap without the consent of the counterparty to it. In addition, each swap and swap cap exposes a Fund to counterparty risk and Chou may determine to concentrate any or all of its swap transactions, including CDS, in a single counterparty or small group of counterparties. If a counterparty defaults, a Fund's only recourse will be to pursue contractual remedies against the counterparty and the Fund may be unsuccessful in such pursuit. A Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to a swap contract. In addition to counterparty risks, CDS are subject to credit risk on the underlying investment. If a Fund were the buyer of CDS and no event of default occurred, the Fund would lose its entire investment. Similarly, if a Fund were the seller of CDS and an event of default occurred, it would be required to pay its counterparty the value of the CDS, which may cause the Fund to incur a loss on the CDS transaction. Swap caps are less liquid than swaps.

Value Style Risk. Securities purchased by the Opportunity Fund may not increase in price as anticipated by Chou and may even decline further in value if other investors fail to recognize the company's value or favor investing in faster-growing companies, or if the events or factors that Chou believes will increase a security's market value do not occur. The Opportunity Fund may purchase securities that are not widely followed by other investors. These securities may include companies reporting poor earnings, companies whose share prices have declined sharply, turnarounds, cyclical companies or companies emerging from bankruptcy, all of which may have a higher risk of being ignored or rejected, and therefore, continually undervalued by the market.

Variable and Floating Interest Rate Risk. The interest rates of variable rate securities may reset at specified intervals, while the interest rates of floating rate securities may reset whenever there is a change in a specified index rate. In most cases, these reset provisions reduce the impact of changes in market interest rates on the value of the security. However, some securities do not directly track an underlying index, but reset based on formulas that may produce a leveraging effect; others may also provide for interest payments that vary inversely with market rates. When the Income Fund holds variable or floating rate securities, a decrease (or, in the case of inverse floating rate securities, an increase) in market interest rates will adversely affect the income received from such securities and the net asset value of the Income Fund's shares. In response to an interest rate decline, certain floating and variable rate securities may be called or redeemed by the issuer prior to maturity, which may result in the Income Fund having to reinvest proceeds in other investments at a lower interest rate. There may not be an active secondary market for any particular floating or variable rate security, which could make it difficult to dispose of the security and cause the Income Fund to suffer a loss.

Warrants Risk. Warrants can provide a greater potential for loss than an equivalent investment in the underlying security. The price of a warrant does not necessarily move in tandem with the price of the underlying security and, therefore, a warrant may be highly volatile and speculative. Warrants have no voting rights, pay no dividends and have no rights with respect to the assets of the issuer other than a purchase option. If a warrant held by a Fund were not exercised by the date of its expiration, that Fund would lose the entire purchase price of the warrant.

Management

The Adviser

Chou America Management Inc., 110 Sheppard Ave. East Suite 301, Box 18, Toronto, Ontario, Canada M2N 6Y8, is the Funds' investment adviser. Chou, which registered with the U.S. Securities and Exchange Commission ("SEC") in 2010 as an investment adviser, provides investment advisory services to the Funds. As of March 31, 2017, Chou had approximately $100.98 million in assets under management. Chou does not manage any other U.S. registered mutual funds.

Chou is registered as an investment adviser under the Investment Advisers Act of 1940. The Adviser, on behalf of the Funds, has claimed an exemption from registration with the Commodity Futures Trading Commission ("CFTC") as a commodity pool operator under the Commodity Exchange Act and is exempt from registration as a commodity trading advisor under CFTC Regulation 4.14(a)(8).

Chou receives an advisory fee from each Fund at an annual rate equal to 1.00% of each Fund's average daily net assets. Chou has contractually agreed to waive a portion of its fee and/or reimburse certain expenses in order to limit the Total Annual Operating Expenses (excluding other expenses, taxes, leverage interest, acquired fund fees and expenses, dividends or interest on short positions, other interest expenses, brokerage commissions, and extraordinary expenses such as litigation) of each Fund to 1.20% through at least May 1, 2018. The actual advisory fee rate paid by the Chou Income Fund to the Adviser for the fiscal year ended December 31, 2016 was 0.12%. Chou waived its entire advisory fee with respect to the Chou Opportunity Fund during the fiscal year ended December 31, 2016, pursuant to a voluntary fee waiver arrangement beginning on January 1, 2016.

A discussion summarizing the basis on which the Board most recently approved the Investment Advisory Agreement with Chou is available in the Funds' annual report for the year ended December 31, 2016.

Portfolio Manager

Francis S.M. Chou, Chief Executive Officer of Chou, is the Portfolio Manager of each Fund and is responsible for the day-to-day management of the Funds. Mr. Chou also serves as CEO of Chou Associates Management Inc. ("Chou Associates"), an investment adviser based in Toronto, Canada, which manages the Chou family of Canadian mutual funds ("Chou Funds"). Mr. Chou has been the CEO of Chou Associates and the Portfolio Manager of the Chou Funds since 1986. As of March 31, 2017, Chou Associates had approximately $604.7 million in assets under management. In addition, Mr. Chou served as a Senior Vice President for Fairfax Financial Holdings from 1996-2007.

Additional information regarding Portfolio Manager compensation, other accounts managed by the Portfolio Manager and the Portfolio Manager's ownership of Fund shares is found in the Funds' Statement of Additional Information ("SAI").

Other Service Providers

Atlantic Fund Administration, LLC (d/b/a Atlantic Fund Services) ("Atlantic") provides fund accounting, fund administration, and compliance services to each Fund and the Trust and supplies certain officers of the Trust, including a Treasurer, a Chief Compliance Officer, an Anti-Money Laundering Compliance Officer and additional compliance support personnel. Atlantic Shareholder Services, LLC, a wholly-owned subsidiary of Atlantic Fund Administration, LLC, provides transfer agency services to the Fund and the Trust.

Rafferty Capital Markets, LLC, the Trust's principal underwriter (the "Distributor"), serves as the Trust's Distributor in connection with the offering of the Funds' shares. The Distributor may enter into arrangements with banks, broker-dealers and other financial institutions through which investors may purchase or redeem shares.

Fund Expenses

Each Fund is charged for those expenses that are directly attributable to it, while other expenses are allocated between the Funds based on methods approved by the Board. Chou or other service providers may waive all or any portion of their fees and reimburse certain expenses of a Fund. Any agreement to waive fees or reimburse expenses increases the investment performance of a Fund for the period during which the waiver or reimbursement is in effect.

Your Account

How to Contact the Funds

E-mail the Funds at:
chouamericafunds.ta@atlanticfundservices.com

Telephone the Funds at:
(877) 682-6352 (toll free)

Write the Funds:
Chou America Mutual Funds
P.O. Box 588
Portland, Maine 04112

Overnight Address:
Chou America Mutual Funds
c/o Atlantic Fund Services
Three Canal Plaza, Ground Floor
Portland, Maine 04101

Website Address:
www.chouamerica.com

Wire investments (or ACH payments):
Please contact the transfer agent at (877) 682-6352 (toll free) to obtain the ABA routing number and account number for the Funds.

General Information

You may purchase or sell (redeem) shares of either Fund on any day that the New York Stock Exchange ("NYSE") is open for business. Under unusual circumstances, such as the case of an emergency, the Funds may calculate their NAV and accept and process shareholder orders when the NYSE is closed.

You may purchase or sell shares of a Fund at the next NAV calculated (normally 4:00 p.m. Eastern Time) after the transfer agent or your approved broker-dealer or other financial intermediary ("Financial Intermediary") receives your request in good order. "Good order" means that you have provided sufficient information necessary to process your request as outlined in this Prospectus, including any required signatures, documents, payment and Medallion Signature Guarantees. All requests to purchase or sell Fund shares received in good order prior to the Fund's close will receive that day's NAV. Requests received in good order after a Fund's close or on a day when a Fund does not value its shares will be processed on the next business day and will receive the next subsequent NAV. The Funds cannot accept orders that request a particular day or price for the transaction or any other special conditions.

The Funds do not issue share certificates.

If you purchase shares directly from a Fund, you will receive a confirmation of each transaction and quarterly statements detailing Fund balances and all transactions completed during the prior quarter and a confirmation of each transaction. Automatic reinvestments of distributions and systematic investments/withdrawals may be confirmed only by quarterly statement. You should verify the accuracy of all transactions in your account as soon as you receive your confirmations and quarterly statements.

The Funds may temporarily suspend or discontinue any service or privilege, including systematic investments and withdrawals, wire redemption privileges, telephone redemption privileges, and exchange privileges, if applicable.

The Funds reserve the right to refuse any purchase request including, but not limited to, requests that could adversely affect the Funds or their operations.

When and How NAV is Determined. The Funds calculate their NAV as of the close of trading on the NYSE (normally 4:00 p.m., Eastern Time) on each weekday except days when the NYSE is closed. The NYSE is open every weekday, Monday through Friday, except on the following holidays: New Year's Day, Martin Luther King, Jr. Day (the third Monday in January), Presidents' Day (the third Monday in February), Good Friday, Memorial Day (the last Monday in May), Independence Day, Labor Day (the first Monday in September), Thanksgiving Day (the fourth Thursday in November) and Christmas Day. NYSE holiday schedules are subject to change without notice. The NYSE may close early on the day before each of these holidays and the day after Thanksgiving Day. To the extent a Fund's portfolio investments trade in markets on days when the Funds are not open for business, a Fund's assets may vary on those days. Similarly, trading in certain portfolio investments may not occur on days the Funds are open for business as markets or exchanges other than the NYSE may be closed.

The NAV of each Fund is determined by taking the market value of the Fund's total assets, subtracting the Fund's liabilities, and then dividing the result (net assets) by the number of outstanding shares of the Fund. The Fund values securities for which market quotations are readily available, including exchange-traded funds, at current market value, except for certain short-term securities that may be valued at amortized cost. Securities for which market quotations are readily available are valued using the last reported sales price or official close provided by independent pricing services as of the close of trading on the NYSE on each Fund business day. In the absence of sales, such securities are valued at the mean of the last bid and asked price. Fixed-income securities, including government, corporate, asset-backed, municipal and convertible bonds, may be valued at prices supplied by the Funds' pricing agent based on broker or dealer supplied valuations or on matrix pricing, a method of valuing securities by reference to the value of other securities with similar characteristics, such as rating, interest rate and maturity. Investments in non-exchange-traded investment companies are valued at their NAVs.

Market quotations may not be readily available or may be unreliable if, among other things: (1) the exchange on which a Fund portfolio security is principally traded closes early; (2) trading in a portfolio security was halted during the day and did not resume prior to the time as of which a Fund calculates its NAV; or (3) events occur after the close of the securities markets on which a Fund's portfolio securities primarily trade but before the time the Fund calculates its NAV. If market prices or fixed income prices supplied by the Funds' pricing agent are not readily available or a Fund reasonably believes that they are unreliable, such as in the case of a security value that has been materially affected by events occurring after the relevant market closes, a Fund is required to value such securities at fair value as determined in good faith using procedures approved by the Fund's Board. The Board has delegated day-to-day responsibility for fair value determinations to a Valuation Committee, members of which are appointed by the Board. Fair valuation may be based on subjective factors and, as a result, the fair value price of a security may differ from that security's market price and may not be the price at which the security may be sold. Fair valuation could result in a different NAV than a NAV determined by using market quotes.

The Funds may invest in foreign securities, the securities of smaller companies and derivatives. Foreign securities are more likely to require a fair value determination than domestic securities because circumstances may arise between the close of the market on which the securities trade and the time as of which the Funds values their portfolio securities, which may affect the value of such securities. In determining fair value prices of such foreign securities, the Funds may consider the performance of securities on their primary exchanges, foreign currency appreciation/depreciation, securities market movements in the U.S. or other relevant information as related to the securities. Securities of smaller companies and certain derivatives are also more likely to require a fair value determination because they may be thinly traded and less liquid than traditional securities of larger companies.

Prices provided by the pricing services may be determined without exclusive reliance on quoted prices, and may reflect appropriate factors such as institution-size trading in similar groups of securities, developments related to special securities, dividend rate, maturity and other market data. Prices received from pricing services are fair value prices. In addition, if the prices provided by the pricing service and independent quoted prices are unreliable, the Valuation Committee described above will fair value the security using the Funds' fair value procedures.

Transactions Through Financial Intermediaries. The Funds have authorized certain financial intermediaries, including the designees of such entities, to accept purchase, redemption and exchange orders on the Funds' behalf. If you invest through a financial intermediary, the policies and fees of the financial intermediary may be different than the policies and fees if you had invested directly in a Fund. Among other things, financial intermediaries may charge transaction fees and may set different minimum investment restrictions or limitations on buying or selling Fund shares. You should consult your broker or other representative of your financial intermediary for more information.

The Fund will be deemed to have received a purchase or redemption order when an authorized broker or, if applicable, a broker's designee receives the order. All orders to purchase or sell shares are processed as of the next NAV calculated after the order has been received in good order by a financial intermediary. Orders are accepted until the close of regular trading on the NYSE every business day (normally 4:00 p.m. Eastern Time) and are processed the same day at that day's NAV. To ensure that this occurs, the financial intermediaries are responsible for transmitting all orders to the Funds in compliance with their contractual deadlines.

Payments to Financial Intermediaries. The Funds and their affiliate(s) (at their own expense) may pay compensation to financial intermediaries for shareholder-related services and, if applicable, distribution-related services, including administrative, recordkeeping and shareholder communication services. For example, compensation may be paid to make Fund shares available to sales representatives and/or customers of a fund supermarket platform or similar program sponsor or for services provided in connection with such fund supermarket platforms and programs.

The amount of compensation paid to different financial intermediaries may differ. The compensation paid to a financial intermediary may be based on a variety of factors, including average assets under management in accounts distributed and/or serviced by the financial intermediary, gross sales by the financial intermediary and/or the number of accounts serviced by the financial intermediary that invest in the Funds. To the extent that the Funds pay all or a portion of such compensation, it is designed to compensate the financial intermediary for providing services that would otherwise be provided by the Funds' transfer agent and/or Administrator.

The Adviser or another Fund affiliate, out of its own resources, may provide additional compensation to financial intermediaries. Such compensation is sometimes referred to as "revenue sharing." Compensation received by a financial intermediary from the Adviser or another Fund affiliate may include payments for shareholder servicing, marketing and/or training expenses incurred by the Financial Intermediary, including expenses incurred by the financial intermediary in educating its salespersons with respect to Fund shares. For example, such compensation may include reimbursements for expenses incurred in attending educational seminars regarding the Fund, including travel and lodging expenses. It may also cover costs incurred by financial intermediaries in connection with their efforts to sell Fund shares, including costs incurred compensating registered sales representatives and preparing, printing and distributing sales literature.

Any compensation received by a financial intermediary, whether from the Funds or their affiliate(s), and the prospect of receiving such compensation may provide the financial intermediary with an incentive to recommend the shares of the Fund, over other potential investments. Similarly, the compensation may cause financial intermediaries to elevate the prominence of the Funds within its organization by, for example, placing them on a list of preferred funds.

Anti-Money Laundering Program. Customer identification and verification are part of the Funds' overall obligation to deter money laundering under federal Law. The Trust's Anti-Money Laundering Program is designed to prevent the Funds from being used for money laundering or the financing of terrorist activities. In this regard, the Funds reserve the right, to the extent permitted by law, (1) to refuse, cancel or rescind any purchase order or (2) to freeze any account and/or suspend account services. These actions will be taken when, at the sole discretion of Trust management, they are deemed to be in the best interest of the Funds or in cases when the Funds are requested or compelled to do so by governmental or law enforcement authorities or applicable law. If your account is closed at the request of governmental or law enforcement authorities, you may not receive proceeds of the redemption if a Fund is required to withhold such proceeds.

Disclosure of Portfolio Holdings

A description of the Funds' policies and procedures with respect to the disclosure of portfolio securities is available in the SAI, which is available on the Funds' website at www.chouamerica.com.

Buying Shares

How to Make Payments. Unless purchased through a financial intermediary, all investments must be made by check, ACH or wire. All checks must be payable in U.S. dollars and drawn on U.S. financial institutions. In the absence of the granting of an exception consistent with the Trust's Anti-Money Laundering Program, the Funds do not accept purchases made by credit card check, starter check, checks with more than one endorsement (unless the check is payable to all endorsees), cash or cash equivalents (for instance, you may not pay by money order, cashier's check, bank draft or traveler's check). The Funds and the Adviser also reserve the right to accept in kind contributions of securities in exchange for shares of the Funds.

Checks. Checks must be made payable to "Chou America Mutual Funds". For individual, sole proprietorship, joint, Uniform Gifts to Minors Act ("UGMA") and Uniform Transfers to Minors Act ("UTMA") accounts, checks may be made payable to one or more owners of the account and endorsed to "Chou America Mutual Funds". A $20 charge may be imposed on any returned checks.

ACH. Refers to the Automated Clearing House system maintained by the Federal Reserve Bank, which allows banks to process checks, transfer funds and perform other tasks. Your U.S. financial institution may charge you a fee for this service.

Wires. Instruct your U.S. financial institution with whom you have an account to make a federal funds wire payment to the Fund. Your U.S. financial institution may charge you a fee for this service.

Minimum Investments. The Funds accept investments in the following minimum amounts:

	Minimum Initial Investment	Minimum Additional Investment
Standard Accounts	$5,000	$500
Retirement Accounts	$5,000	$500

See "General Information Transactions through Financial Intermediaries" for information regarding investment minimums if you are purchasing shares through a U.S. financial institution.

No initial or subsequent investment minimums apply for accounts maintained by U.S. financial institutions for the benefit of their clients who purchase shares through investment programs such as: (1) fee-based advisory programs; (2) employee benefit plans like 401(k) retirement plans; (3) mutual fund platforms; and (4) consulting firms. No initial or subsequent investment minimum for Trustees or officers of the Trust, directors, officers and employees of

Chou, and employees and affiliates of a Fund, or the Distributor or any of their affiliates, or the spouse, sibling, direct ancestor, or direct descendent (collectively, ”relatives“) of any such person, any trust or individual retirement account or self-employed retirement plan for the benefit of any such person or relative; or the estate of any such person or relative.

The Funds reserve the right to waive minimum investment amounts, if deemed appropriate by an officer of the Trust.

Registered investment advisers and financial planners may be permitted to aggregate the value of traditional or Roth individual retirement accounts (”IRAs“) in order to meet minimum investment amounts.

Account Requirements. The following table describes the requirements to establish certain types of accounts in the Fund.

Type of Account	Requirement
Individual, Sole Proprietorship and Joint Accounts Individual accounts and sole proprietorship accounts are owned by one person. Joint accounts have two or more owners (tenants).	• Instructions must be signed by all persons named as account owners exactly as their names appear on the account.
Gifts or Transfers to a Minor (UGMA, UTMA) These custodial accounts provide a way to give money to a child and may have tax benefits.	• Depending on state laws, you may set up a custodial account under the UGMA or the UTMA. • The custodian must sign instructions in a manner indicating custodial capacity.
Corporations/Other	• The entity should submit a certified copy of its articles of incorporation (or a government-issued business license or other document that reflects the existence of the entity) and a corporate resolution or a secretary’s certificate.
Trusts	• The trust must be established before an account may be opened. • The trust should provide the first and signature pages from the trust document identifying the trustees.

Account Application and Customer Identity Verification. To help the government fight the funding of terrorism and money laundering activities, federal law requires financial institutions to obtain, verify, and record information that identifies each person who opens an account.

When you open an account, the Funds will ask for your first and last name, U.S. taxpayer identification number (”TIN“), physical street address, date of birth and other information or documents that will allow the Funds to identify you.

If you do not supply the required information, the Funds will attempt to contact you or, if applicable, your financial advisor. If a Fund cannot obtain the required information within a timeframe established in its sole discretion, your application will be rejected.

When your application is in good order and includes all required information, your order will normally be processed at the NAV next calculated after receipt of your application and investment amount. The Funds will attempt to verify your identity using the information you have supplied and other information about you that is available from third parties, including information available in public and private databases such as consumer reports from credit reporting agencies.

The Funds will try to verify your identity within a timeframe established in their sole discretion. If the Funds cannot do so, the Funds reserve the right to redeem your investment at the next NAV calculated after a Fund decides to close your account. If your account is closed, you may realize a gain or loss on the Fund shares in the account. You will be responsible for any related taxes and will not be able to recoup any redemption fees assessed, if applicable.

If a Fund has not yet received payment for the shares being sold, it may delay sending redemption proceeds until such payment is received, which may be up to 15 calendar days.

Policy on Prohibition of Foreign Shareholders. The Funds require that all shareholders must be U.S. persons or U.S. resident aliens residing in the U.S. or a U.S. Territory with a valid TIN (or who can show proof of having applied for a TIN and commit to provide a valid TIN within 60 days) to open an account with the Funds. Non-U.S. persons who meet the customer identification and verification requirements under the Trust's Anti-Money Laundering Program may be accepted in the sole discretion of Trust management.

Investment Procedures. The following table describes the procedures for investing in the Fund.

How to Open an Account	How to Add to Your Account
Through a Financial Intermediary	***Through a Financial Intermediary***
• Contact your financial intermediary using the method that is most convenient for you.	• Contact your financial intermediary using the method that is most convenient for you.
By Check	***By Check***
• Call, write, or email the Fund, or visit the Funds' website, for an account application. • Complete the application (and other required documents, if applicable). • Mail the Fund your original application (and other required documents, if applicable) and a check.	• Fill out an investment slip from a confirmation or write the Fund a letter. • Write your account number on your check. • Mail the Fund the investment slip or your letter and the check.
By Wire	***By Wire***
• Call, write, or email the Fund, or visit the Funds' website, for an account application. • Complete the application (and other required documents, if applicable). • Call the Fund to notify the transfer agent that you are faxing your completed application (and other required documents, if applicable). The transfer agent will assign you an account number. • Mail the Fund your original application (and other required documents, if applicable). • Instruct your U.S. financial institution to wire your money to the Fund.	• Instruct your U.S. financial institution to wire your money to us.
By ACH Payment	***By ACH Payment***
• Call, write, or email the Fund, or visit the Funds' website for an account application. • Complete the application (and other required documents, if applicable). • Call the Fund to notify the transfer agent that you are faxing your completed application (and other required documents, if applicable). The transfer agent will assign you an account number. • Mail the Fund your original application (and other required documents, if applicable). • The transfer agent will electronically debit your purchase proceeds from the U.S. financial institution account identified on your account application. • ACH purchases are limited to $25,000 per day.	• Call to request a purchase by ACH payment. • The transfer agent will electronically debit your purchase proceeds from the U.S. financial institution account identified on your account application. • Purchases are limited to $25,000 per day.

How to Open an Account	How to Add to Your Account

By Internet
www.chouamerica.com
• Log onto our website.
• Select ”Fund Owner Access‟ and ”Open a new account‟.
• Complete the application online.
• Accept the terms of the online application.
• Account opening amount limited to $25,000 per day (if you would like to invest more than $25,000, you may make the investment by check or wire).
• The transfer agent will electronically debit your purchase proceeds from the U.S. financial institution account identified on your account application.
	By Internet
	www.chouamerica.com
	• Log onto our website.
	• Select ”Fund Owner Access‟ and ”Client account access‟.
	• Provide the following information:
	  • Your User ID
	  • Your PIN
	• Select ”Purchase‟ option under the ”Account Listing‟ menu.
	• Follow the instructions provided.
	• Subsequent purchases are limited to $25,000 per day (if you would like to invest more than $25,000, you may make the investment by check or wire).
	• The transfer agent will electronically debit your purchase proceeds from the U.S. financial institution account identified on your account application.

Systematic Investments. You may establish a systematic investment plan to invest automatically a specific amount of money (up to $25,000 per day) into your account on a specified day and frequency not to exceed two investments per month. Payments for systematic investments are automatically debited from your designated savings or checking account via ACH. Systematic investments must be for at least $100 per occurrence. If you wish to enroll in a systematic investment plan, complete the appropriate section on the account application. Your signed account application must be received at least three business days prior to the initial transaction. A Fund may terminate or modify this privilege at any time. You may terminate your participation in a systematic investment plan by notifying the Fund at least two days in advance of the next withdrawal.

The systematic investment plan is a method of using dollar cost averaging as an investment strategy that involves investing a fixed amount of money at regular time intervals. However, a program of regular investment cannot ensure a profit or protect against a loss as a result of declining markets. By continually investing the same amount, you will be purchasing more shares when the price is lower and fewer shares when the price is higher. Please call (877) 682-6352 (toll free) for additional information regarding the Funds' systematic investment plan.

Limitations on Frequent Purchases. The Board has adopted policies and procedures with respect to frequent purchases and redemptions of Fund shares by Fund shareholders. It is the Funds' policy to discourage short-term trading. Frequent trading in Fund shares, such as trades seeking short-term profits from market momentum and other timing strategies, may interfere with the management of the Funds' portfolios and result in increased administrative and brokerage costs and potential dilution in the value of Fund shares. As money is moved in and out, the Funds may incur expenses buying and selling portfolio securities and these expenses are borne by Fund shareholders. The Funds will not knowingly accommodate trading in Fund shares in violation of these policies.

Focus is placed on identifying redemption transactions which may be harmful to the Funds or their shareholders if they are frequent. These transactions are analyzed for offsetting purchases within a pre-determined period of time. If frequent trading trends are detected, an appropriate course of action will be taken. Among other things, the Funds reserve the right to cancel (within one business day of detection), restrict or, reject, without any prior notice, any purchase order, including transactions representing excessive trading, transactions that may be disruptive to the management of the Funds' portfolios, and purchase orders not accompanied by payment.

Because the Funds receive purchase and sale orders through financial intermediaries that use omnibus or retirement accounts, the Funds cannot always detect frequent purchases and redemption. As a consequence, the Funds' ability to monitor and discourage abusive trading practices in such accounts may be limited. Pursuant to shareholder information agreements that are entered into between intermediaries and the Fund in order to aid in trade monitoring, the Taxpayer Identification Number and transaction records of shareholders purchasing through financial intermediaries may be turned over to the Funds if requested.

In addition, the sale of Fund shares may be subject to a redemption fee of 2.00% of the current NAV of shares redeemed within 120 days of purchase.

The investment in securities of small- and medium-sized companies may make the Funds' shares more susceptible to market timing as shareholders may try to capitalize on the market volatility of such securities and the effect of the volatility on the value of Fund shares.

The Funds reserve the right to refuse any purchase request, particularly requests that could adversely affect a Fund or its operations.

Canceled or Failed Payments. The Funds accept checks and ACH payments at full value subject to collection. If the Funds do not receive your payment for shares or you pay with a check or ACH payment that does not clear, your purchase will be canceled within two business days of notification from your bank that your funds did not clear. You will be responsible for any actual losses or expenses incurred by the Funds or the transfer agent, and the Funds may redeem shares you own in the account (or another identically registered account that you maintain with the transfer agent) as reimbursement. The Funds and their agents have the right to reject or cancel any purchase or exchange due to non-payment.

Selling Shares

Redemption orders received in good order will be processed at the next calculated NAV. The right of redemption may not be suspended, except for any period during which: (1) the NYSE is closed (other than customary weekend and holiday closings) or the SEC determines that trading thereon is restricted; (2) an emergency (as determined by the SEC) exists as a result of which disposal by a Fund of its securities is not reasonably practicable or as a result of which it is not reasonably practicable for a Fund to determine fairly the value of its net assets; or (3) the SEC may by order permit for the protection of the shareholders of the Funds.

Before selling recently purchased shares, please note that if a Fund has not yet collected payment for the shares you are selling, it may delay sending redemption proceeds until it receives payment, which may be up to 15 calendar days from the date of purchase.

How to Sell Shares from Your Account

Through a Financial Intermediary

- If you purchased shares through your Financial Intermediary, your redemption order must be placed through the same Financial Intermediary.
- Contact your Financial Intermediary using the method that is most convenient for you.

By Mail

- Prepare a written request including:
- Your name(s) and signature(s);
  - Your account number;
  - The Fund name;
  - The dollar amount or number of shares you want to sell;
  - How and where to send the redemption proceeds;
  - A signature guarantee (if required); and
  - Other documentation (if required);
- Mail us your request and documentation.

By Telephone

- Call us with your request (unless you declined telephone redemption privileges on your account application).
- Provide the following information:
  - Your account number
  - Exact name(s) in which the account is registered
  - Additional form of identification
- Redemption proceeds will be mailed to you by check or electronically credited to your account at the U.S. financial institution identified on your account application.

By Systematic Withdrawal

- Complete the systematic withdrawal section of the application.
- Attach a voided check to your application.
- Mail us your completed application.
- Redemption proceeds will be mailed to you by check or electronically credited to your account at the U.S. financial institution identified on your account application.

How to Sell Shares from Your Account

By Internet
www.chouamerica.com
• Log onto our website (unless you declined Internet trading privileges on your account application).
• Select "Fund Owner Access" and "Client account access".
• Provide the following information:
  • Your User ID
  • Your PIN
• Select the "Redemption" option under the "Account Listing" menu.
• Follow the instructions provided.
• Redemption proceeds will be electronically credited to your account at the U.S. financial institution identified on your account application.

Wire Redemption Privileges. You may redeem your shares by wire unless you declined wire redemption privileges on your account application. The minimum amount that may be redeemed by wire is $5,000.

Telephone Redemption Privileges. You may redeem your shares by telephone unless you declined telephone redemption privileges on your account application. You may be responsible for any unauthorized telephone order as long as the transfer agent takes reasonable measures to verify that the order is genuine. Telephone redemption orders may be difficult to complete during periods of significant economic or market activity. If you are not able to reach a Fund by telephone, you may mail your redemption order.

Systematic Withdrawals. You may establish a systematic withdrawal plan to automatically redeem a specific amount of money or shares from your account on a specified day and frequency not to exceed one withdrawal per month. These payments are sent from your account by check to your address of record, or if you so designate, to your bank account by ACH payment. To establish a systematic withdrawal plan, complete the systematic withdrawal section of the account application. The plan may be terminated or modified by a shareholder or a Fund at any time without charge or penalty. You may terminate your participation in the plan at any time by contacting the Fund sufficiently in advance of the next withdrawal.

A withdrawal under the systematic withdrawal plan involves a redemption of Fund shares and may result in a gain or loss for federal income tax purposes. In addition, if the amount withdrawn exceeds the dividends credited to your account, the account ultimately may be depleted. Please call (877) 682-6352 (toll free) for additional information regarding the Fund's systematic withdrawal plan.

Signature Guarantee Requirements. To protect you and the Funds against fraud, signatures on certain requests must have a Medallion Signature Guarantee. A Medallion Signature Guarantee verifies the authenticity of your signature. You may obtain a Medallion Signature Guarantee from most banking institutions or securities brokers, but not from a notary public. The transfer agent will require written instructions signed by all registered shareholders with a Medallion Signature Guarantee for each shareholder for any of the following:

- Written requests to redeem $100,000 or more
- Changes to a shareholder's record name or account registration
- Paying redemption proceeds from an account for which the address has changed within the last 30 days
- Sending redemption and distribution proceeds to any person, address or U.S. financial institution account not on record
- Sending redemption and distribution proceeds to an account with a different registration (name or ownership) from your account
- Adding or changing ACH or wire instructions, the telephone redemption or exchange option or any other election in connection with your account.

The transfer agent reserves the right to require Medallion Signature Guarantees on all redemptions.

Redemption Fee. Each Fund assesses a redemption fee of 2.00% of the current NAV of shares redeemed if the shares being sold were purchased within 120 days. The fee is charged for the benefit of remaining shareholders and will be paid to the Fund to help offset transaction costs. To calculate redemption fees, the Funds use the first-in, first-out (FIFO) method to determine the holding period. Under this method, the date of the redemption will be compared with the earliest purchase date of shares held in the account. For example, shares purchased on January 1 of any year will be subject to a 2.00% fee if they are redeemed before April 30 of that same year, and shares redeemed on or after April 30 of that year will not be subject to any redemption fee. The redemption fee is waived for shares purchased with reinvested capital gains or dividend distributions. The Funds reserve the right to waive or modify the terms of the fee at any time.

Certain financial intermediaries that collect a redemption fee on behalf of the Funds may not recognize one or more of the exceptions to the redemption fee listed above or may not be able to assess a redemption fee under certain circumstances due to operational limitations (i.e., on Fund shares transferred to the Financial Intermediary and subsequently liquidated). Customers purchasing shares through a Financial Intermediary should contact the Financial Intermediary or refer to the customer's account agreement or plan document for information about how the redemption fee for transactions for the Financial Intermediary's account or the customer's account is treated and about the availability of exceptions to the imposition of the redemption fee. If a Financial Intermediary that maintains an account with the transfer agent for the benefit of its customer accounts collects redemption fees for a Fund from applicable customer accounts, no redemption fees will be charged directly to the Financial Intermediary's account by the Fund.

Small Account Balances. If the value of your account falls below the minimum account balances listed below, a Fund may ask you to increase your balance. If after 60 days, the account value is still below the minimum balance, the Funds may close your account and send you the proceeds. The Funds will not close your account if it falls below these amounts solely as a result of Fund performance.

	Minimum Account Balance
All Accounts	$1,000

Redemptions in Kind. Pursuant to an election with the SEC, under certain circumstances the Funds may pay redemption proceeds in portfolio securities rather than in cash. If a Fund redeems shares in this manner, the shareholder assumes the risk of a subsequent change in the market value of those securities, the costs of liquidating the securities (such as brokerage costs) and the possibility of a lack of a liquid market for those securities. Please see the SAI for more details on redemptions in kind.

Lost Accounts. The transfer agent will consider your account "lost" if correspondence to your address of record is returned as undeliverable on two consecutive occasions, unless the transfer agent determines your new address. When an account is lost, all distributions on the account will be reinvested in additional Fund shares. In addition, the amount of any outstanding check (unpaid for six months or more) and checks that have been returned to the transfer agent may be reinvested at the then-current NAV and the checks will be canceled. However, checks will not be reinvested into accounts with a zero balance, but will be held in an account until the transfer agent locates you or escheats the funds to the state of your last known address.

Rule 12b-1 Distribution and Other Service Fees

The Trust has adopted a Rule 12b-1 plan under which the Funds may pay an annual fee of up to 0.25% of the average daily net assets of the Funds for distribution services and the servicing of shareholder accounts. The Board has not authorized the Funds to pay a Rule 12b-1 fee at this time.

Exchange Privileges

You may exchange your shares of the Opportunity Fund for shares of the Income Fund, and your shares of the Income Fund for shares of the Opportunity Fund. Be sure to confirm with the transfer agent that the Fund into which you exchange is available for sale in your state. A Fund may not be available for purchase in your state. Because exchanges are a sale and purchase of shares, they may have tax consequences.

Requirements. You may make exchanges only between identically registered accounts (name(s), address, and TIN). There is currently no limit on exchanges, but each Fund reserves the right to limit exchanges. You may exchange your shares by mail or telephone, unless you declined telephone redemption privileges on your account application. You may be responsible for any unauthorized telephone order as long as the transfer agent takes reasonable measures to verify that the order is genuine.

How to Exchange
Through a Financial Intermediary
• If you purchased shares through your Financial Intermediary, your exchange order must be placed through the same Financial Intermediary. • Contact your Financial Intermediary using the method that is most convenient for you.

How to Exchange

By Mail
• Open a new account and complete an account application if you are requesting different shareholder privileges.
• Prepare a written request including:
  • Your name(s) and signature(s)
  • Your account number
  • The names of each Fund you are exchanging
  • The dollar amount or number of shares you want to sell (and exchange).
  • Obtain a Medallion Signature Guarantee (if required)
  • Obtain other documentation (if required)
• Mail us your request and documentation.

By Telephone
• Call us with your request (unless you declined telephone redemption privileges on your account application).
• Provide the following information:
  • Your account number
  • Exact name(s) in which the account is registered
  • Additional form of identification
  • The names of each Fund you are exchanging
  • The dollar amount or number of shares you want to sell (and exchange).

By Internet
www.chouamerica.com
• Log onto our website.
• Select ”Fund Owner Access‟ and ”Client account access‟.
• Provide the following information:
  • Your User ID
  • Your PIN
• Select the ”Exchange‟ option under the ”Account Listing‟ menu.
• Follow the instructions provided.

Retirement Accounts

You may invest in Fund shares through an IRA, including traditional and Roth IRAs, also known as ”Qualified Retirement Accounts‟. The Funds may also be appropriate for other retirement plans such as 401(k) plans. Before investing in any IRA or other retirement plan, you should consult your tax adviser. Whenever making an investment in an IRA or other retirement plan, be sure to indicate the year to which the contribution is attributed.

Other Information

Distributions and Dividend Reinvestments

Each Fund declares dividends from net investment income and pays them semi-annually. Any net capital gains realized by a Fund are distributed at least annually.

Most investors have their income dividends and capital gain distributions (each a "distribution") reinvested in additional shares of a Fund. If you choose this option, or if you do not indicate any choice, your distributions will be reinvested. Alternatively, you may choose to have your distributions of $10 or more sent directly to your bank account or paid to you by check. However, if a distribution is less than $10, your proceeds will be reinvested. If five or more of your distribution checks remain uncashed after 180 days, all subsequent distributions may be reinvested. For federal income tax purposes, Fund distributions received by non-qualified retirement accounts are treated the same whether they are received in cash or reinvested.

Taxes

The Funds generally intend to operate in a manner such that they will not be liable for federal income or excise taxes.

A Fund's distributions of net investment income and the excess of net short-term capital gain over net long-term capital loss, if any, are taxable to you as ordinary income, except as noted below. A Fund's distributions of net capital gain (that is, the excess of net long-term capital gain over net short-term capital loss), if any, are taxable to you as long-term capital gain, regardless of how long you have held your shares. Distributions may also be subject to state and local income taxes. Some Fund distributions may also include a nontaxable return of capital. Return of capital distributions reduce your tax basis in your Fund shares and are treated as gain from the sale of the shares to the extent they exceed your basis.

A portion of a Fund's distributions may be treated as "qualified dividend income," taxable to individual and certain other non-corporate shareholders at maximum federal income tax rates of 15% for a single shareholder with taxable income not exceeding $400,000 ($450,000 for married shareholders filing jointly) and 20% for those non-corporate shareholders with taxable income exceeding those respective amounts. A distribution is treated as qualified dividend income to the extent that a Fund receives dividend income from taxable domestic corporations and certain qualified foreign corporations, provided that holding period and other requirements are met and the shareholder satisfies those requirements with respect to the Fund shares on which the dividend is paid. A portion of a Fund's dividends also may be eligible for the dividends-received deduction allowed to corporations ("DRD")--the eligible portion may not exceed the aggregate dividends the Fund receives from domestic corporations subject to federal income tax (excluding real estate investment trusts) and excludes dividends from foreign corporations--subject to similar requirements. However, dividends a corporate shareholder deducts pursuant to the DRD are subject indirectly to the federal alternative minimum tax.

A distribution reduces the NAV of the Fund's shares by the amount of the distribution. If you purchase shares prior to a distribution, you will be taxed on the distribution even though the distribution represents a partial return of your investment.

The redemption of Fund shares is generally taxable for federal income tax purposes. You will recognize a gain or loss on a redemption equal to the difference, if any, between the amount of your net redemption proceeds and your tax basis in the redeemed Fund shares. The gain or loss will be capital gain or loss if you held your Fund shares as capital assets. Any capital gain or loss will be treated as long-term capital gain or loss if you held the Fund shares for more than one year at the time of the redemption. Any capital loss arising from a redemption of shares held for six months or less, however, will be treated as long-term capital loss to the extent of the amount of net capital gain distributions with respect to those shares. An exchange of Fund shares is treated as a redemption of the shares and thus is taxed similarly.

Each Fund will be required to withhold federal income tax at the rate of 28% on all distributions and redemption proceeds (regardless of the extent to which you realize gain or loss) otherwise payable to you (if you are an individual or certain other non-corporate shareholder) if you fail to provide the Fund with your correct TIN or to make required certifications, or if you have been notified by the Internal Revenue Service ("IRS") that you are subject to backup withholding. Backup withholding is not an additional tax, and any amounts withheld may be credited against your federal income tax liability once you provide the required information or certification.

A Fund shareholder who wants to use the average basis method for determining basis with respect to Fund shares he or she acquires after December 31, 2011 ("Covered Shares"), must elect to do so in writing (which may be electronic). If a Fund shareholder fails to affirmatively elect the average basis method, the basis determination will be made in accordance with the Fund's default method, which is first-in first-out. If, however, a Fund shareholder wishes to use a different acceptable method for basis determination (*e.g.*, a specific identification method), the shareholder may elect to do so. The basis method a Fund shareholder elects may not be changed with respect to a redemption of Covered Shares after the settlement date of the redemption.

In addition to the previous requirement to report the gross proceeds from the redemption of shares, each Fund (or its administrative agent) must report to the IRS and furnish to its shareholders the basis information for Covered Shares and indicate whether they had a short-term (one year or less) or long-term (more than one year) holding period. Fund shareholders should consult with their tax advisors to determine the best IRS-accepted basis method for their tax situation and to obtain more information about how the basis reporting law applies to them.

Beginning in 2013, an individual is required to pay a 3.8% federal tax on the lesser of (1) the individual's "net investment income," which generally includes dividends, interest, and net gains from the disposition of investment property (including dividends and capital gain distributions a Fund pays and net gains realized on the redemption of Fund shares), or (2) the excess of the individual's "modified adjusted gross income" over a threshold amount ($250,000 for married persons filing jointly and $200,000 for single taxpayers). This tax is in addition to any other taxes due on that income. A similar tax applies to estates and trusts. Shareholders should consult their own tax advisers regarding the effect, if any, this provision may have on their investment in Fund shares.

After December 31 of each year, the Funds will mail you reports containing information about the income tax classification of distributions paid during the year. For further information about the tax effects of investing in the Funds, please see the SAI and consult your tax advisor.

Organization

The Trust is a Delaware statutory trust. The Funds do not expect to hold shareholders' meetings unless required by Federal or Delaware law. Shareholders of each series of the Trust are entitled to vote at shareholders' meetings unless a matter relates only to a specific Fund (such as approval of an advisory agreement for the Fund). From time to time, large shareholders may control the Funds or the Trust.

Financial Highlights

The financial highlights tables are intended to help you understand the Funds' financial performance since the Funds' inception. Certain information reflects financial results for a single Fund share. The total returns in the table represent the rate that an investor would have earned (or lost) on an investment in the Funds, assuming reinvestment of all dividends and distributions. The information for the fiscal periods ended December 31, 2012 through 2016, has been audited by BBD, LLP, an independent registered public accounting firm, whose report, along with the Funds' financial statements, is included in the annual report dated December 31, 2016, which is available upon request.

Chou Opportunity Fund

	For the Years Ended December 31,				
	2016	**2015**	**2014**	**2013**	**2012**
NET ASSET VALUE, Beginning of Year	$10.51	$13.71	$13.52	$11.41	$10.00
INVESTMENT OPERATIONS					
Net investment income (loss) (a)	0.51	(0.14)	(0.18)	0.05	0.32
Net realized and unrealized gain (loss)	(1.17)	(2.91)	0.84	3.31	2.68
Total from Investment Operations	(0.66)	(3.05)	0.66	3.36	3.00
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	(0.59)	—	—	(0.19)	(0.40)
Net realized gain	(0.01)	(0.15)	(0.47)	(1.09)	(1.19)
Total Distributions to Shareholders	(0.60)	(0.15)	(0.47)	(1.28)	(1.59)
REDEMPTION FEES (a)	—(b)	—(b)	—(b)	0.03	—(b)
NET CONTRIBUTION BY AFFILIATE (c)	0.10	—	—	—	—
NET ASSET VALUE, End of Year	$9.35	$10.51	$13.71	$13.52	$11.41
TOTAL RETURN	(5.02)%(d)	(22.27)%	4.88%	29.82%	30.81%
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Year (000's omitted)	$84,326	$96,066	$99,799	$66,402	$41,132
Ratios to Average Net Assets:					
Net investment income (loss)	5.58%	(1.15)%	(1.31)%	0.34%	2.89%
Net expenses	0.30%	1.24%	1.38%	1.48%	1.48%
Gross expenses (e)	1.31%	1.28%	1.40%	1.50%	1.55%
PORTFOLIO TURNOVER RATE	18%	4%	29%	56%	17%

(a) Calculated based on average shares outstanding during each year.

(b) Less than $0.01 per share.

(c) Calculated based on shares outstanding on February 18, 2016, the date of the capital contribution. See Note 5 in the December 31, 2016 Annual Report.

(d) Calculation includes affiliate reimbursements and contribution of capital. Excluding the effect of the net reimbursements and contribution of capital from the Fund's ending net asset value per share, total return for the year ended December 31, 2016, would have been (6.04)%.

(e) Reflects the expense ratio excluding any waivers and/or reimbursements.

Chou Income Fund

	For the Years Ended December 31,				
	2016	2015	2014	2013	2012
NET ASSET VALUE, Beginning of Year	$7.56	$9.77	$11.04	$9.87	$8.74
INVESTMENT OPERATIONS					
Net investment income (a)	0.96	0.90	0.51	0.94	1.58
Net realized and unrealized gain (loss)	0.49	(2.01)	(1.01)	1.28	1.27
Total from Investment Operations	1.45	(1.11)	(0.50)	2.22	2.85
DISTRIBUTIONS TO SHAREHOLDERS FROM					
Net investment income	(1.00)	(0.95)	(0.52)	(1.07)	(1.72)
Net realized gain	—	(0.15)	(0.25)	—	—(b)
Total Distributions to Shareholders	(1.00)	(1.10)	(0.77)	(1.07)	(1.72)
REDEMPTION FEES (a)	—	—(b)	—(b)	0.02	—
NET ASSET VALUE, End of Year	$8.01	$7.56	$9.77	$11.04	$9.87
TOTAL RETURN	20.72%	(11.92)%	(4.83)%	22.86%	34.69%
RATIOS/SUPPLEMENTARY DATA					
Net Assets at End of Period (000's omitted)	$17,885	$15,253	$17,526	$14,737	$6,728
Ratios to Average Net Assets:					
Net investment income	12.91%	9.94%	4.48%	8.39%	16.25%
Net expenses	1.20%	1.30%	1.50%	1.50%	1.50%
Gross expenses (c)	2.10%	2.36%	2.11%	3.41%	4.09%
PORTFOLIO TURNOVER RATE	22%	7%	17%	40%	23%

(a) Calculated based on average shares outstanding during each year.
(b) Less than $0.01 per share.
(c) Reflects the expense ratio excluding any waivers and/or reimbursements.

Rev. 06/12

FACTS	WHAT DO CHOU OPPORTUNITY FUND AND CHOU INCOME FUND (THE "CHOU AMERICA MUTUAL FUNDS") DO WITH YOUR PERSONAL INFORMATION?
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: ▪ Social Security number and ▪ Account balances and ▪ Account transactions and ▪ Checking account information and ▪ Retirement assets and ▪ Wire transfer instructions. When you are *no longer* our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons the Chou America Mutual Funds choose to share; and whether you can limit this sharing.

Reasons we can share your personal information	Do Chou America Mutual Funds share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
For our marketing purposes— to offer our products and services to you	No	We do not share
For joint marketing with other financial companies	No	We do not share
For our affiliates' everyday business purposes— information about your transactions and experiences	No	We do not share
For our affiliates' everyday business purposes— information about your credit worthiness	No	We do not share
For non-affiliates to market to you	No	We do not share

Questions?	Call (877) 682-6352 (toll free).

Who we are	
Who is providing this notice?	Chou Opportunity Fund and Chou Income Fund.

What we do	
How do the Chou America Mutual Funds protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How do the Chou America Mutual Funds collect my personal information?	We collect your personal information, for example, when you ▪ open an account or ▪ provide account information or ▪ deposit or withdraw funds or ▪ make a wire transfer or ▪ tell us where to send the money. We also collect your personal information from other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only ▪ sharing for affiliates' everyday business purposes—information about your creditworthiness ▪ affiliates from using your information to market to you ▪ sharing for non-affiliates to market to you State laws and individual companies may give you additional rights to limit sharing.

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. ▪ Chou Funds ▪ Chou America Management Inc. ▪ Chou Associates Management Inc.
Non-affiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. *The Chou America Mutual Funds do not share with non-affiliates so they can market to you.*
Joint marketing	A formal agreement between non-affiliated financial companies that together market financial products or services to you. *The Chou America Mutual Funds do not jointly market.*

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CHOU AMERICA MUTUAL FUNDS

For More Information

Annual and Semi-Annual Reports

Additional information about each Fund's investments will be available in the Funds' annual and semi-annual reports to shareholders. In the Funds' annual report, you will find a discussion of the market conditions and investment strategies that significantly affected the Funds' performance during their last fiscal year.

Statement of Additional Information ("SAI")

The SAI provides additional information about the Funds and is incorporated by reference into, and is legally part of, this Prospectus.

Contacting the Funds

You may obtain free copies of the annual and semi-annual reports, when they are available, and the SAI, request other information and discuss your questions about the Funds by contacting the Funds at:

Chou America Mutual Funds
P.O. Box 588
Portland, Maine 04112
(877) 682-6352 (toll free)

chouamericafunds.ta@atlanticfundservices.com

The Funds' Prospectus, SAI and annual and semi-annual reports, as well as a description of the policies and procedures with respect to the disclosure of the Fund's portfolio securities, will be available, without charge, on the Funds' website at www.chouamerica.com.

Securities and Exchange Commission Information

You may also review and copy the Funds' annual and semi-annual reports, when they are available, the SAI and other information about the Funds at the Public Reference Room of the SEC. The scheduled hours of operation of the Public Reference Room may be obtained by calling the SEC at (202) 551-8090. You may obtain copies of this information, for a duplication fee, by e-mailing or writing to:

Securities and Exchange Commission
Public Reference Section
Washington, D.C. 20549-1520
e-mail: publicinfo@sec.gov

Fund information, including copies of the annual and semi-annual reports, when they are available, and the SAI, is available on the SEC's website at www.sec.gov.

Rafferty Capital Markets, LLC
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www.raffcap.com

Rafferty Capital Markets, LLC is the Funds' distributor.

Investment Company Act File No. 811-22394

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