

SIMPLIFIED PROSPECTUS
DATED SEPTEMBER 23, 2025
SERIES A UNITS AND SERIES F UNITS
OF
CHOU ASSOCIATES FUND
CHOU RRSP FUND
CHOU EUROPE FUND
CHOU ASIA FUND
CHOU BOND FUND

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

The Funds and units of the Funds offered under this Simplified Prospectus are offered in each of the Provinces of Canada (excluding the Territories).

The Funds and units of the Funds described in this Simplified Prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

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INTRODUCTION

In this document "we", "us", "our" and "Manager" means Chou Associates Management Inc., and the "Funds" or "Chou Funds" means the mutual fund offered under this Simplified Prospectus. "You" means purchasers of the Chou Funds.

This Simplified Prospectus contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor of the Chou Funds. This Simplified Prospectus contains information about the Funds and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Funds. Any reference to the Funds' last financial year means the financial year ended December 31, 2024.

This Simplified Prospectus is divided into two parts:

- the first part (from pages 4 to 19) contains general information applicable to the Funds; and
- the second part (from pages 20 to 43) contains specific information about the Funds.

Additional information about the Funds are available in the following documents:

- the most recently filed Fund Facts documents;
- the most recently filed audited annual financial statements;
- any interim financial report filed after those audited annual financial statements;
- the most recently filed annual management report of fund performance; and
- any interim management report of fund performance filed after that annual management report of fund performance.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as a part of this document.

You can request a copy of these documents, at your request, and at no cost, by calling collect to (416) 214-0675, by calling the administrator toll free at 1-888-357-5070, or from your dealer.

These documents are available on the Chou Fund's designated website at www.choufunds.com, or by contacting the Funds at admin@choufunds.com.

These documents and other information about the Funds are available at www.sedarplus.ca.

RESPONSIBILITY OF MUTUAL FUND ADMINISTRATION

The Manager

Chou Associates Management Inc. is the manager of the Chou Funds. The Manager is the manager of the Funds under an amended and restated management agreement dated August 10, 2005, as amended on September 23, 2020 (the "**Management Agreement**"). The Manager provides or arranges for the Chou Funds' day-to-day business administration and also provides investment counselling and portfolio management services. The Manager has retained CIBC Mellon Global Securities Services Company to perform certain of the custodial and recordkeeping services. The Manager provides or coordinates all other services required by the Chou Funds. The Manager's contact information is as follows:

Principal address:	110 Sheppard Avenue East, Suite 301, P.O. Box 18, Toronto, Ontario, M2N 6Y8
Telephone number:	(416) 214-0675
E-mail address:	admin@choufunds.com
Website:	www.choufunds.com

The name and municipality of residence, position and office held with the Manager and current principal occupation of each of the directors and executive officers of the Manager are as follows:

Name and Municipality of Residence	Position Held with Manager and Principal Occupation
Francis S.M. Chou, C.F.A. Toronto, Ontario	President, Chief Executive Officer, Ultimate Designated Person, Chief Compliance Officer and Director, Investment Counsel at the Manager from July 1985 to present. Director at Stonetrust Commercial Insurance Company and at Loggerhead Holdings Company, LLC.
Sewan Chou Toronto, Ontario	Chief Financial Officer and Director at the Manager from October 1992 to present.
Tracy Chou Toronto, Ontario	Director, Executive Vice President and Chief Investment Officer of Stonetrust Commercial Insurance Company, from August 2020 to present. Director at the Manager from October 2001 to present.

The Management Agreement will automatically terminate on the insolvency or bankruptcy of the Manager.

The Portfolio Adviser

The Manager is also the portfolio adviser and provides or arranges to provide investment advice and portfolio management services to the Chou Funds.

Brokerage Agreements

The Manager makes decisions as to the purchase and sale of portfolio securities and other assets of the Funds such as cash and term deposits as well as decisions regarding the execution of portfolio transactions of a Fund. The Manager seeks to obtain the best execution of securities transactions when arranging or executing trades on behalf of the Funds. Trades are generally allocated to brokers based on a number of factors, including the value of research provided, as well as execution capability, commission rate, financial responsibility and responsiveness. The dealers do not charge any amount in addition to the brokerage commission for the research, statistical and other services. These arrangements are referred to in the industry as "soft-dollar" arrangements. Any commission rebates received by the Manager will be paid to the relevant Fund.

Since the date of the last Simplified Prospectus, the following companies have provided or paid for investment decision-making services in the nature of research, statistical and other services or have furnished commission rebates to the Manager or the Portfolio Adviser in return for the allocation of portfolio transactions:

- STIFEL
- Leede Jones Gable Inc.
- R.W. Pressprich & Co.

Trustee

The Manager is also the trustee of each of the Funds. We have entered into Declarations of Trust with these Funds. The Declarations of Trust may be amended from time to time. The trustee holds the property of each Fund on behalf of the unitholders of the Funds. The trustee receives no fees from the Funds. The trustee may resign as trustee by giving 90 days' notice to unitholders.

Custodian

As the custodian of the Funds, CIBC Mellon of Toronto, Ontario holds the cash and securities of the Funds pursuant to a Custodial Services Agreement dated October 26, 2015 (the "Custodian Agreement") between CIBC Mellon and the Manager. CIBC Mellon receives and holds cash, portfolio securities and other financial assets of the Funds for

safekeeping. Under the terms of the Custodian Agreement and subject to applicable securities legislation, CIBC Mellon may appoint one or more sub-custodians to hold assets and effect portfolio transactions. CIBC Mellon or the sub-custodians may use the facilities of any domestic or foreign depository or clearing agency authorized to operate a book-based system. The Custodian Agreement may be terminated by either party upon 90 days' written notice and may be terminated immediately upon the bankruptcy or insolvency of either party. CIBC Mellon is independent of the Manager.

Auditors

Doane Grant Thornton LLP served as the auditor of the Funds and completed the audit of the annual financial statements for the financial year ended December 31, 2024. Following the completion of that audit, MNP LLP was appointed as the auditor of the Funds. MNP LLP is independent of the Chou Funds within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario. The office of the auditor is located in Toronto, Ontario.

Registrar

CIBC Mellon Global Securities Services Company provides or arranges for keeping a record of and acting as recordkeeper to all units purchased pursuant to a Fund Administration Services Agreement dated October 26, 2015 between the Manager, in its own capacity and on behalf of the Funds, and CIBC Mellon Global Securities Services Company. The register of unitholders of the Funds is kept in Toronto, Ontario. CIBC Mellon Global Securities Services Company provides fund valuation and accounting services pursuant to this agreement.

Securities Lending Agent

The Bank of New York Mellon ("**BNY Mellon**") acts a securities lending agent for the Funds pursuant to a securities lending authorization agreement dated October 26, 2015 (the "Securities Lending Authorization Agreement") among the Manager, CIBC Mellon Global Securities Services Company, CIBC Mellon Trust Company, Canadian Imperial Bank of Commerce and BNY Mellon. The collateral required to be delivered in connection with a securities lending transaction is required to have a value of not less than 102% of the market value of the loaned securities. The Securities Lending Authorization Agreement includes reciprocal indemnities by (i) the Funds and the Manager, and (ii) CIBC Mellon Global Securities Services Company, CIBC Mellon Trust Company, Canadian Imperial Bank of Commerce and BNY Mellon, for failure to perform the obligations under the Securities Lending Authorization Agreement, inaccuracy of representations in the Securities Lending Authorization Agreement, or fraud, bad faith, wilful misconduct or reckless disregard of duties. The Securities Lending Authorization Agreement may be terminated by any party upon 90 days' prior notice. The principal office of BNY Mellon is located in New York, New York. BNY Mellon is independent of the Manager.

Independent Review Committee

In accordance with NI 81-107 – *Independent Review Committee for Investment Funds* ("**NI 81-107**"), the Manager has established an Independent Review Committee ("**IRC**") in respect of the Chou Funds. The IRC acts as an impartial and independent committee to review and provide recommendations or, if required by applicable securities laws, approvals respecting any conflict of interest matters referred to it by the Manager. Pursuant to NI 81-107, the Manager is required to have policies and procedures relating to conflicts of interest.

The IRC has adopted a written charter that includes its mandate, responsibilities and functions, and the policies and procedures it will follow when performing its functions. Responsibilities of the IRC include, no less frequently than annually, a report of its activities for unitholders which is available online at www.choufunds.com, at your request and at no cost, by calling toll-free 1 (888) 357-5070 or by e-mail at admin@choufunds.com.

Currently, the members of the IRC are Sandford F. Borins, Joe Tortolano and Peter Gregoire. Sandford F. Borins acts as chair of the IRC. The costs of the IRC will be allocated among the Funds in a manner that is considered by the IRC to be fair and reasonable to the Funds. The composition of the IRC may change from time to time.

Affiliated Entities

No person or company that provides services to the Funds or Manager in relation to the Funds is an affiliated entity to the Manager.

Fund Governance – Policies and Procedures

The Manager, as manager and trustee of the Chou Funds, is responsible for the overall governance of the Funds. The Manager has adopted written policies, practices and guidelines relating to business practices, sales practices, risk management controls and internal conflicts of interest relating to the Chou Funds to ensure compliance with regulatory and corporate requirements.

Policies Regarding Derivatives

All Funds utilize derivative instruments for both hedging and non-hedging strategies in a manner which is consistent with the investment objectives of each Fund. The use of such derivatives by the Funds is to hedge risks associated with existing investments or groups of investments.

The Funds use covered call options which would guarantee a minimum sale price and, therefore, minimize downside risk. Since the call options are used only in conjunction with securities the Funds have determined to sell, and are covered by securities already owned by the Funds, Management takes no unusual steps to manage risks from the use of such derivatives.

The Funds may invest in Credit Default Swaps ("CDS") to hedge against market risks. A CDS may offer the Funds higher returns for assuming very similar credit risk positions as an alternative to a direct investment. A CDS can offer the Funds an opportunity to invest in credits that trade in foreign markets without bearing unwanted currency risks to the Funds.

There are no written policies or procedures in place that set out the objectives and goals for derivatives trading. The President of the Manager is responsible for all trading authorizations and determines the limits or controls on trading. No risk measurement procedures or simulations are used to test the portfolio under stress conditions.

Although the Funds do not currently invest in CDS's, the required 60 day notice has been given to investors and the Funds may invest in CDS's in the future. No Fund will invest more than 5% of its assets, at the date of purchase, in CDS's. However, the Funds may enter into other forms of derivative transactions in the future as described in the Simplified Prospectus of the Funds after giving investors 60 days prior written notice. The Funds may enter into these transactions only as permitted under securities law.

Policies Regarding Securities Lending and Repurchase and Reverse Repurchase Transactions

All of the Funds may enter into securities lending agreements as permitted under applicable securities laws. The Funds' custodian or sub custodian shall act as the agent for the Chou Funds in administering the securities lending transactions of the Fund. The risks associated with these transactions will be managed by requiring that the Funds' agent enter into such transactions for the Chou Funds with reputable and well-established Canadian and foreign brokers, dealers and institutions. The agent will be required to maintain internal controls, procedures and records, including a list of approved third parties based on generally accepted creditworthiness standards, transaction and credit limits for each third party and collateral diversification standards.

The Manager has established certain policies and procedures to ensure that the risks associated with securities lending agreements will be properly managed. The policies specify that all securities lending transactions must be done in accordance with securities lending rules outlined in applicable securities legislation. The Manager will monitor, on a daily basis, the Funds' securities lending activities. The policies and procedures relating to securities lending transactions will be reviewed and updated on a regular basis.

Currently, the Funds do not enter into repurchase or reverse repurchase transactions. However, the Funds may enter into repurchase or reverse repurchase agreements in the future as described in the Simplified Prospectus of the Funds after giving investors 60 days prior written notice. The Funds may enter into these transactions only as permitted under securities law. In the event the Funds commence repurchase or reverse repurchase transactions, similar controls, policies and procedures will be put in place for those transactions as described above for securities lending agreements.

Policies Regarding Proxy Voting

The Manager is responsible for directing how proxies relating to any securities of a Fund are to be voted. The Manager has adopted written policies and procedures (the "**Proxy Voting Policy**") aimed at ensuring that all votes in respect of securities held by a Fund are exercised in accordance with the best interests of such Fund.

The Manager is required to follow the guidelines set forth in the Proxy Voting Policy. However, the Proxy Voting Policy provides that the Manager review the terms of each proxy vote on its own merits. Consequently, the Manager may deviate from guidelines in the Proxy Voting Policy in situations which will protect or enhance the investment value of a security.

The Proxy Voting Policy provides that the Manager will generally cause the Funds to vote in favour of management proposals on routine matters such as the election of directors, appointment of auditors, indemnification of directors and receipt and approval of financial statements, provided it is in line with the guidelines set forth in the Proxy Voting Policy.

With respect to non-routine matters, such as take-over defence measures and changes in capital structure, the Manager will examine proxies and recommendations for special proposals to assess the impact on the value of the securities, generally voting in favour of proposals that would enhance the investment value of the relevant security in the long term and against proposals that increase the risk level and reduce the investment value of the relevant security in the long term. Other issues, including those business issues specific to the issuer or those raised by shareholders of the issuer, are addressed on a case-by-case basis with a focus on the potential impact of the vote on shareholder value.

The Board of Directors of the Manager oversees the proxy voting process and reviews proxy voting results, policies and procedures on an annual basis to ensure that securities held by the Funds are voted in accordance with the Proxy Voting Policy. When the Manager becomes aware of any vote that presents a conflict of interest, the conflict is reported to the Board of Directors of the Manager and proxies are voted in a manner consistent with the best interests of such Fund, without regard to any other business relationship that may exist.

The Proxy Voting Policy is available on request, at no charge, by calling (416) 214-0675 or by writing to the Manager at 110 Sheppard Avenue East, Suite 301, P.O. Box 18, Toronto, Ontario, M2N 6Y8.

The proxy voting record for each Fund for the most recent twelve month period ended June 30 of each year, will be available free of charge to any unitholder of the Fund upon request at any time after August 31 of that year. A Fund's proxy voting record is also available on our internet site at www.choufunds.com.

Remuneration of Directors, Officers, and Trustees

There are no directors or executive officers of the Chou Funds. The Trustee receives no fees from the Chou Funds.

For the year ended December 31, 2024, each member of the IRC, in connection with performing their duties as IRC members, received the approximate compensation and reimbursement of expenses as set out in the table below. These fees and expenses (which exclude applicable taxes), plus associated legal and insurance costs, are allocated to the Funds. Each member of the IRC receives an annual retainer of \$10,000 plus \$1,000 per meeting. The chair receives an additional annual retainer of \$4,000. The compensation paid to the members of the IRC for the year ended December 31, 2024, was, in the aggregate, \$40,000, and individually as follows:

IRC Member	Compensation (\$)	Expenses Reimbursed (\$)
Sandford F. Borins (Chair)	\$16,000	\$0
Joe Tortolano	\$12,000	\$0
Peter Gregoire	\$12,000	\$0

Material Contracts

The material contracts of the Chou Funds, as described below, are available on SEDAR+ at www.sedarplus.ca and may also be reviewed at the offices of the Manager during normal business hours.

- Amended and Restated Declaration of Trust dated as of August 10, 2005, amended on September 7, 2007 and further amended on September 23, 2020 and September 23, 2022;
- Amended and Restated Management Agreement between the Funds and the Manager, dated as of August 10, 2005 and further amended on September 23, 2020;
- Custodial Services Agreement with CIBC Mellon dated October 26, 2016;
- Fund Administration Services Agreement between the Manager, in its own capacity and on behalf of the Funds, and CIBC Mellon Global Securities Services Company dated October 26, 2016; and
- Registered Plans Agreement (for Non-Group Plans) between the Manager and CIBC Mellon dated December 12, 2024.

Legal Proceedings

The Manager is not aware of any material legal proceedings outstanding or known to be contemplate to which the Funds or the Manager is a party.

Designated Website

A mutual fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the mutual funds this document pertains to can be found at the following location: www.choufunds.com.

VALUATION OF PORTFOLIO UNITS

In determining the market value of the assets of any Fund the following rules apply:

- liquid assets (which term includes cash, bills and demand notes, accounts receivable, prepaid expenses, cash dividends, and interest accrued and not yet received) will be valued at their face value unless the Manager determines an otherwise fair value;
- securities listed on a public securities exchange will be valued at their current market value, being the last sale price on that valuation date or, if no sales are reported, at the average between the closing bid and the closing ask price on the day which the net asset value of the securities is being determined;
- fixed-income securities (including term loans) listed on a public securities exchange or an over-the-counter market will be valued at their current market value, being the last sale price on that valuation date or, if no sales are reported, at the average between the closing bid and the closing ask price on the day;
- unlisted securities (other than fixed-income securities) will be valued at their current market value, as provided by CIBC Mellon;
- securities and other assets for which market quotations are not readily available will be valued at their estimated fair value, as determined by the Manager;
- restricted securities are valued at the lesser of:
 - the value thereof based on reported quotations in common use; and
 - that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Fund's acquisition cost was of the market value of such securities at the time of acquisition,

provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restrictions will be lifted is known;

- commodity futures contracts and commodity futures options entered into for hedging foreign currency exposure will be valued at the market value thereof on the day as of which the net asset value of the Fund is being determined; any difference resulting from revaluation will be treated as an unrealized gain or loss on foreign exchange transactions;
- clearing corporation options will be valued at their current market value, being the last sale price on that valuation date or, if no sales are reported, at the average between the closing ask price and the closing bid price;
- the premium received on clearing corporation options written by a Fund will be treated as a deferred credit which will be valued at the current market value of an option which would have the effect of closing the position; any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment; the deferred credit shall be deducted in arriving at the net asset value of the Fund; the portfolio securities which are the subject of a clearing corporation option written by the Fund will continue to be valued in the manner described above for listed securities;
- if securities are interlisted or traded on more than one exchange or market the Manager shall use the last sale price or the closing bid price, as the case may be, updated on the exchange or market determined by the Manager to be the principal exchange or market for such securities; and
- liquid assets and securities quoted in foreign currencies will be translated to Canadian dollars to reflect the exchange rate existing on that valuation date.

If the valuation principles described above cannot be applied, the Manager will determine a value, although it has not been required to do so in the past three years. For more information, including significant accounting policies, see the most recently filed audited annual financial statements of the Funds.

CALCULATION OF NET ASSET VALUE

When you buy units of the Funds, you pay the price or net asset value ("NAV") per unit plus any applicable sales charges. When you redeem (sell) units, you receive the NAV per unit less any applicable redemption charges.

The net asset value of each series of units of the RRSP Fund, the Europe Fund and the Asia Fund is determined daily after The Toronto Stock Exchange ("TSX") closes. The net asset value of the Associates Fund is determined daily after the New York Stock Exchange ("NYSE") closes. The net asset value of the Bond Fund is determined daily. In some circumstances, we may calculate net asset value at another time or more frequently. We may begin calculating the net asset value daily on each business day.

The NAV per unit for a given series is computed by dividing the net assets attributable to that series by the total number of units of the series outstanding at the time.

The NAV is the price for all sales of units (including on the reinvestment of distributions) and for redemptions. The issue and redemption price of units of the Fund is based on the series' NAV next determined after the receipt of a purchase order and a redemption order.

The Funds have the Canadian dollar as both its presentation and functional currency but express their net asset values in both U.S. and Canadian dollars. The U.S. dollar net asset value per series unit is determined by converting the Canadian dollar net asset value per series unit into U.S. dollars using the applicable exchange rate utilized by the Manager, on the valuation date.

You can get the net asset value per unit of each series of the Chou Funds, at no cost, by sending an email to admin@choufunds.com on the Manager's website at www.choufunds.com, by calling toll-free 1 (888) 357-5070 or by asking your dealer.

PURCHASES, SWITCHES, AND REDEMPTIONS

The Funds are permitted to have an unlimited number of series of units and may issue an unlimited number of units of each series.

Series A units of the Funds are available to all investors.

Series F units are available to investors who participate in fee-based programs through their dealer and whose dealer has signed a Series F agreement with us. Instead of paying sales charges, these investors pay an annual fee to their dealer for investment advice and other services. We do not pay any commission to a dealer who sells Series F units which means that we can charge a lower management fee. Series F units are also available to other groups of investors for whom we do not incur distribution costs.

The consideration that you and other investors pay to purchase units of any series is tracked on a series by series basis in your Fund's administration records.

Purchasing Units

Unless otherwise agreed by the Manager, you must invest and maintain a balance of \$1,000 for each of the Funds and each subsequent investment must be at least \$100.

Subject to its right of rejection of any purchase order, a purchase order for units which is received by the Manager prior to 4:00 p.m. Eastern Standard Time on a valuation date will be priced that day. If a purchase order is received after 4:00 p.m. Eastern Standard Time on a valuation date or a day which is not a valuation date, it will be priced on the next valuation date. If the Trustee decides to calculate unit value at a time other than after the usual closing time of the TSX or the NYSE, the unit price paid or received will be determined relative to that time. We must receive payment for the purchase order within three business days of the valuation date (or before such other deadline as we may establish from time to time in accordance with applicable securities laws), or the units will be redeemed in accordance with the procedure described in the Simplified Prospectus and you may have to compensate your broker or dealer for any losses suffered by it in connection with the failed settlement.

We do not issue a certificate when you buy units of a Fund, but we will send you a confirmation which is proof of your purchase. A record of the number of units you own and their value will appear on your next account statement.

Units of all of the Funds are available for purchase in both U.S. and Canadian dollars. The U.S. dollar purchase option is meant to be a convenient way to use U.S. dollars and should not be considered a hedge against currency fluctuations between the Canadian and U.S. dollars.

If you purchase units from your broker or dealer, you may have to pay a sales commission as described in the Simplified Prospectus.

Switches

You can switch units from one Fund to another or from one series to another within the same Fund. When we receive your order to switch, we will sell units of the current Fund and use the proceeds to buy units of the new Fund. Your new units will come with the same redemption charge schedule as your old units. Switching units from one Fund to another may result in a gain or loss for tax purposes. Switching units of one series of a Fund to another series of the same Fund is not a disposition for tax purposes.

Rejection of an Order

The Manager reserves the right to accept or reject any order to purchase or switch units within one business day after receiving it. In the event that an order is rejected, all monies received with the order will be returned, without interest, promptly.

Short-Term Trading

Short-Term trading activities in the Funds may adversely affect unitholders. Frequent trading can hurt a Fund's performance by forcing the Portfolio Advisor to keep more cash in a Fund that would otherwise be needed, or to sell investments at an inappropriate time. It may also increase a Fund's transaction costs. A Fund will charge you 2% of

the value of the units you redeem within 90 days of purchase. This fee is paid to the Fund and is retained for the benefit of unitholders of the Fund.

The Manager may also take such additional action as it is considered appropriate to prevent further similar activity by the investor. These actions may include the delivery of a warning to the investor, placing the investor/account on a watch list to monitor his or her trading activity, the subsequent refusal of further trades by the investor if the investor continues to attempt such trading activity and/or closure of the investor's account.

Redemptions

You may redeem (sell) your units on any day the TSX or NYSE is open for business. You or your broker or dealer will forward your redemption order to us. Unless a redemption order is received by us before 4:00 p.m. (Eastern Standard Time) on a valuation date, it will be processed for redemption as of the following valuation date.

You must provide us with all the documents we need to process your redemption request within three business days of placing your order. Generally, this will include:

- the Fund name and account number;
- the amount of the transaction (in dollars or number of units);
- signatures of all owners exactly as registered on the account;
- any signature guarantee by a bank, trust company or member of a recognized stock exchange or otherwise guaranteed to our satisfaction;
- any supporting legal documentation that may be required; and
- any outstanding certificates (if any) representing units to be redeemed.

If we do not receive all the documents within three business days, we are required to notify you that your redemption order is incomplete. If, within 10 business days, we still have not received all the documentation, we are required to repurchase your units. If the repurchase amount is less than the redemption proceeds, the Fund will keep the difference. If the repurchase amount is greater than the redemption proceeds, we must pay the Fund the difference, and we will collect this amount from your broker or dealer. Your broker or dealer may have the right to collect it from you.

If you are redeeming units, we will pay the redemption proceeds to you within two business days of receiving the information described above. If a unitholder requests redemption of units representing more than 10% of the outstanding units, payment of the redemption price may be made by transfer of a proportionate number of securities in lieu of cash.

If you redeem units within the applicable minimum hold period shown in the table under **Fees and Expenses**, a redemption fee may be deducted from your redemption proceeds. To reduce the fees you pay when redeeming units of a Fund, the Fund will first sell units that are not subject to the redemption fee (including any dividends or distributions on those units which have been reinvested).

Under extraordinary circumstances, the rights of investors to redeem units may be suspended by the Chou Funds. The circumstances in which this might occur are when normal trading is suspended on any stock exchange, on which securities representing more than 50% of the total value of the assets of the Fund, and those securities or derivatives are not traded on any other exchange that represents a reasonable practical alternative, or otherwise with the consent of Canadian securities administrators.

FEES AND EXPENSES

The following table outlines the fees and expenses that you may have to pay directly, or indirectly, if you invest in the Chou Funds. You may have to pay some of these fees and expenses directly. The Chou Funds may have to pay some of these fees and expenses which will therefore reduce the value of your investment in the Chou Funds.

Fees and Expenses Payable by the Fund

Management Fees	Each Fund pays the Manager an annual management fee which is unique to each Fund. The following services are provided to clients in exchange for this annual management fee, including but not limited to: • the day-to-day management of each Fund; • making investment portfolio decisions and arranging for the execution of portfolio transactions; • providing for or arranging for advice and assistance in connection with investment programmes; • dealing with the purchase and redemption of units of each Fund; • negotiating contractual arrangements with, and supervising, third party service providers, including the custodian, auditors and legal counsel; • providing office accommodation, personnel, office supplies and internal accounting services in respect of each Fund; and • monitoring compliance with applicable laws. The fee is calculated and accrued daily and paid monthly based on the average NAV of the Fund. The fee differs among series of securities. The Fund is required to pay HST on the fees paid to the Manager.
Operating Expenses	Each Fund pays its proportionate share of operating expenses other than compensation of any portfolio advisors and expenses paid in connection with the distribution of units of the Funds. The main services provided at the Funds' expense include legal, audit, recordkeeping, unit transfer, custodian services and, the costs of financial reporting, prospectus printing, unitholder servicing costs and regulatory filing fees and associated legal costs. The fees and expenses of the IRC members and all expenses of operations of the IRC form part of operating expenses. As of the date of this Simplified Prospectus, each member of the IRC receives an annual retainer of \$10,000 (the chair receives an additional \$4,000) and \$1,000 for each meeting that the member attends. This fee is allocated among the series of the Funds in a manner that is considered by the Manager to be fair and reasonable to all of the Funds. The compensation of the IRC may change from time to time. No expenses are charged directly to unitholders. From time to time, we may reduce the management fees or pay some operating expenses directly, at our discretion. The expenses of a Fund will be allocated between the series, as applicable. Each series will bear separately any expenses that can be attributed directly to that series. The decision to waive or absorb expenses is reviewed annually and determined at the discretion of the Manager, without notice to unitholders. If the Funds use derivative contracts they may pay certain additional transactional costs. Such costs will be negotiated but will generally be in the range of 0.40% to 1.00% of the notional value of the derivative contract.
Effect of HST on Management Expense Ratio	As of July 1, 2010, certain provinces replaced the goods and services tax with a harmonized sales tax ("HST"). A Fund is required to pay HST of up to 15%, depending on the residence of a Fund's unitholders, on management fees and administration fees charged to the Funds. This will result in an increase in the operating expenses of the Funds when compared to a period prior to July 1, 2010.

Fees and Expenses Payable Directly by You

Sales Charges	If you purchase units through your broker or dealer, you negotiate the sales charge you pay with such broker or dealer. The range for sales charges is generally from 0% to 2% of the purchase order. Your broker or dealer will generally deduct the sales charge and forward the net amount of the order to be invested in the Funds.
Short-term Trading Fee	We will charge a short-term trading fee of 2% of the NAV, at the time of redemption, of the units redeemed by you, if you hold the units for less than 90 days. The short-term trading fee is payable to the Fund and is retained by the Fund for the benefit of unitholders of the Fund.
Switch Fee	Your broker or dealer may charge you a switch fee of 0% to 2% for switches between Funds.

Management Expense Ratio

In addition to its management fee, the Chou Funds bears its proportionate operating expenses. The total of all fees and expenses (excluding HST) charged to the Chou Funds during any year (including the management fee), as a percentage of the net assets of the Fund is referred to as the management expense ratio ("**MER**") of the Chou Funds. From time to time, we may reduce the management fees or pay some operating expenses directly, at our discretion.

DEALER COMPENSATION

Sales Charges

Your broker or dealer may receive a sales charge at the time you purchase Series A units. The range for sales charges is generally from 0% to 2% of the purchase price payable at the time of purchase. There are no sales charges payable on purchases of Series F units. Purchasers of Series F units will generally be required to pay their dealers a fee under a "fee-for service" or wrap program.

Your broker or dealer may charge you a switch fee of 0% to 2% of the purchase price of the Series A units you acquire when you switch from one Fund to another or transfer between types of accounts in which you hold your Series A units. There are no switch fees payable on purchases of Series F units. Purchasers of Series F units will generally be required to pay their dealers a fee under a "fee-for service" or wrap program. You may have to pay a fee to your dealer when you switch units of the Funds for units of another mutual fund.

Trailing Commission

The Manager pays trailing commissions to dealers at the end of each quarter, in relation to units. The trailing commission is a percentage of the total NAV per unit of all units of the Funds held by the dealer's clients for an entire quarter. The maximum annual trailing commission paid for the Funds, other than the Chou Bond Fund, is 0.5% for the Series A units. The trailing commission for the Chou Bond Fund is 0.15% for the Series A units. We may change or cancel the terms of the trailing commission at any time. We do not pay trailing commissions in relation to units bought directly from us. No trailing commission is paid on Series F units of the Funds.

The Canadian Securities Administrators published rule changes that, effective June 1, 2022, prohibit the payment of trailing commissions to order execution only ("**OEO**") dealers and other dealers that do not make a suitability determination in connection with a client's purchase and ongoing ownership of prospectus-qualified mutual funds. Accordingly, the Series A units of the Funds are no longer be available to investors who hold these units in an account with an OEO dealer or any other dealer that does not make a suitability determination.

Dealer Compensation from Management Fees

During the financial year ended December 31, 2024, the Manager paid to dealers who distributed units of the Fund total compensation (including sales charges and trailing commissions) that represented approximately 8.35% of the total management fees paid by the Fund or unitholders of the Fund to the Manager.

INCOME TAX CONSIDERATIONS FOR INVESTORS

This section describes the principal Canadian federal income tax considerations under the Tax Act as of the date hereof generally applicable to the Funds and to a prospective purchaser of units of the Funds who is a Canadian resident individual (other than a trust) holding units of a Fund as capital property, dealing at arm's length with the Fund and not affiliated with the Fund, each within the meaning of the Tax Act.

This summary is based on the current provisions of the Tax Act and the regulations thereunder and the current published administrative policies and assessing practices of the Canada Revenue Agency (the "CRA"), all as publicly available on the date hereof. This summary does not take into account or anticipate any other changes in law whether by legislative, regulatory, administrative or judicial action.

It is intended that each Fund will maintain its status as a "registered investment" and will eventually qualify as a "mutual fund trust" under the Tax Act. This summary is based on the assumption that each Fund is a registered investment under the Tax Act at all times. This summary does not constitute legal or tax advice to any particular investor.

If a Fund were to fail to constitute a registered investment, the income tax considerations described below would in some respects be materially and adversely different.

Generally, a Fund distributes enough income and capital gains each year to ensure that such Fund pays no income tax.

This summary is of a general nature only, is not exhaustive of all possible federal income tax considerations and does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action. This summary does not deal with foreign, provincial or territorial income tax considerations, which may differ significantly from the federal considerations discussed herein.

THIS SUMMARY DOES NOT CONSTITUTE LEGAL OR TAX ADVICE TO ANY PARTICULAR INVESTOR. INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THEIR INDIVIDUAL CIRCUMSTANCES.

Income Tax Considerations for the Funds

In each taxation year, the net income and net realized capital gains, if any, of the Chou Funds that would otherwise be taxable in the Chou Funds will be distributed to unitholders and paid by reinvestment in the Funds or in cash. Consequently, the Chou Funds will not be liable for income tax under Part I of the Tax Act. The Chou Funds have a taxation year end of December 31.

Capital or income losses incurred by a Fund cannot be allocated to unitholders but may, subject to certain limitations, be deducted by the Chou Funds from its capital gains or income realized in other years. In certain circumstances losses of the Chou Funds may be suspended or restricted, and therefore would not be available to shelter capital gains or income. Foreign source income received by a Fund will generally be net of any taxes withheld in the foreign jurisdiction. The foreign taxes withheld will be included in the calculation of the Fund's income.

Generally, the Chou Funds will include gains and deduct losses in connection with derivative activities used for non-hedging purposes on the income account and will recognize such gains or losses for income tax purposes at the time they are realized by the Chou Funds. Pursuant to recent amendments to the Tax Act, an election to realize gains and losses on "eligible derivatives" (as defined in such amendments) of the fund on a mark-to-market basis may be available. The Manager will consider whether such election, if available, would be advisable for the Funds. Subject

to the derivative forward agreement ("**DFA**") rules discussed below, where the Chou Funds uses derivatives to closely hedge gains or losses underlying capital investments held by the Chou Funds, such gains or losses may, depending on the circumstances, be recognized on the capital account; otherwise, such gains or losses will be recognized on the income account.

The DFA rules in the Tax Act target certain financial arrangements (described in the DFA rules as "derivative forward agreements") that seek to reduce tax by converting, through the use of derivative contracts, the return on investments that would have the character of ordinary income to capital gains. The Tax Act exempts the application of the DFA Rules on currency forward contracts or certain other derivatives that are entered into in order to hedge foreign exchange risk in respect of an investment held as capital property. Hedging, other than currency hedging on underlying capital investments, that reduces tax by converting the return on investments that would have the character of ordinary income to capital gains through the use of derivative contracts will be treated by the DFA Rules as on income account.

The Tax Act contains "loss restriction event" ("**LRE**") rules that could potentially apply to the Chou Funds. In general, a LRE will occur to a Fund if a person (or group of persons) acquires units of such Fund worth more than 50% of the fair market value of all the units of the Fund. If a LRE occurs (i) the Fund will be deemed to have a year-end for tax purposes, (ii) any net income and net realized capital gains of the Fund at such year-end will be distributed to unitholders of the Fund to the extent required for the Fund not to be liable for income taxes, and (iii) the Fund will be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the LRE. However, the Fund will be exempt from the application of the LRE rules in most circumstances provided that the Fund is an "investment fund". An "investment fund" for this purpose includes a trust that meets certain conditions; including satisfying certain of the conditions for qualifying as a "mutual fund trust" under the Tax Act, as well as maintaining a reasonable level of asset diversification. There can be no assurance that the Fund will so qualify.

Income Tax Considerations for Investors – Units held in a Registered Plan

Generally, you pay no tax on earnings we distribute to you from a Fund held in a registered tax plan such as a Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RRIF), Registered Disability Savings Plan (RDSP), Deferred Profit Sharing Plan (DPSP), Registered Education Savings Plan (RESP) or held in a Tax Free Savings Account (TFSA) (referred to individually as a "**Registered Plan**" and collectively as "**Registered Plans**"), nor on any capital gains the plan makes from redeeming units or switching between series of the Fund, as long as the proceeds remain in the plan. However, even when units of the Fund are a qualified investment for your Registered Plans, you may be subject to tax if a unit held in your RRSP, RRIF, RDSP, RESP, or TFSA is a "prohibited investment". Generally, units of a Fund will not be a "prohibited investment" for your RRSP, RRIF, RDSP, RESP or TFSA if you, your family (including your parents, spouse, children, siblings and in-laws) and other people or entities that do not deal at arm's length with you, in total, own directly or indirectly less than 10% of the value of the Fund. Distributions from the Fund may affect the tax costs of units of the Fund held by a Registered Plan under the Tax Act.

You will be taxed at your personal tax rate if you withdraw money from the Registered Plan (you should consult your tax advisor with respect to the special rules that apply to RESP's). This does not apply if your units are held in a TFSA. You should consult your tax advisor regarding the effect of withdrawals on contribution room for a TFSA.

You should consult your tax advisor about the special rules that apply to each particular Registered Plan, including whether or not an investment in the Fund would be a "prohibited investment" for your RRSP, RRIF, TFSA, RESP or RDSP.

Income Tax Considerations for Investors – Units not held in a Registered Plan

You must report for income tax purposes all distributions paid to you during the year, whether you receive these distributions as cash or whether reinvested in the Funds. Distributions by the Funds may consist of capital gains, ordinary Canadian dividends, foreign source income, other income and/or returns of capital. Amounts paid on the redemption of units may be treated by the Fund as a payment of net income and/or net capital gains to the unitholder, rather than as proceeds of redemption.

Pursuant to recent changes to the Tax Act, two-thirds of a capital gain (or a capital loss) for unitholders that are corporations or trusts or a unitholder that is an individual realizing net capital gains above an annual \$250,000 threshold is generally included in determining your taxable capital gain (or allowable capital loss). You may be entitled to offset any capital losses you have incurred against these or other capital gains. A change between series of units of a Fund will not result in a capital gain or loss.

Ordinary Canadian dividends are subject to the dividend gross-up and tax credit rules. Steps will be taken to pass on to you the benefit of the enhanced dividend tax credit when it is available. You may be eligible for foreign tax credits in respect of foreign taxes paid by the Fund. Returns of capital are not immediately taxable to you but will reduce the adjusted cost base of your units in the Fund. If the adjusted cost base of your units is reduced to a negative amount while you continue to hold them, you will be deemed to realize an immediate capital gain equal to the negative amount and your adjusted cost base will be increased to zero.

If you buy Fund units just before the distribution date (typically in December of each year), you will be taxed on the distribution you receive in cash or units. The adjusted cost base of your units will be generally increased by the amount of the distribution to reduce any capital gains when you redeem. The adjusted cost base of your units is equal to:

- the cost of your initial investment **plus**
- the cost of any additional investments **plus**
- the amount of any distributions that were invested **less**
- the amount of any return of capital **less**
- the adjusted cost base of any previously redeemed units.

For tax purposes, your capital gain or loss when you redeem your units is generally the difference between the amount you receive for your units, less the adjusted cost base of your units and any reasonable costs you incurred to redeem your units. Reclassification of units of one class to another class will not be a disposition for tax purposes.

If you pay management fees directly in respect of units of a Fund held outside a registered plan, you should consult your own tax advisor with respect to the deductibility of such management fees in your own particular circumstances.

Tax Reporting

We will issue a tax statement to you each year identifying the taxable portion of your distributions. You should keep detailed records of the purchase cost, sales charges and distributions related to your Fund units in order to calculate the adjusted cost base of those units. You may wish to consult a tax advisor to help you with these calculations.

Portfolio Turnover Rate

In general, the higher a Fund's portfolio turnover rate, the greater the likelihood the Fund will incur capital gains or losses. In the event a Fund realizes capital gains, the gains will, in most cases, be distributed to investors and must be included in computing their income for tax purposes for that year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund. Investors should contact their own tax advisors with respect to the income tax consequences of an investment in units of the Funds.

WHAT ARE YOUR LEGAL RIGHTS?

Under securities law in some provinces and territories, you have the right to:

- withdraw from an agreement to buy mutual funds within two (2) business days after you receive a simplified prospectus or Fund Facts document, or
- cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, Fund Facts document or financial statements contain a misrepresentation. You must act within the time limits set by law in the applicable province or territory.

For more information, see the securities law of your province or territory or ask a lawyer.

ADDITIONAL INFORMATION

Additional information about the Funds is available in the following documents:

- the most recently filed Fund Facts document;
- the most recently filed audited annual financial statements;
- any interim financial report filed after those audited annual financial statements;
- the most recently filed annual management report of fund performance; and
- any interim management report of fund performance filed after that annual management report of fund performance.

You can get a copy of these documents, at your request, and at no cost, by calling toll-free at 1-888-357-5070, or from your dealer or by e-mail at admin@chouffunds.com.

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the internet site at www.sedarplus.ca.

CERTIFICATES ON BEHALF OF THE FUNDS, MANAGER AND PROMOTER OF THE FUNDS

This simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Prince Edward Island, Nova Scotia, New Brunswick and Newfoundland and Labrador and do not contain any misrepresentations.

DATED: September 23, 2025

Chou Associates Management Inc. as Trustee, Manager and Promoter of Chou RRSP Fund, Chou Associates Fund, Chou Europe Fund, Chou Asia Fund and Chou Bond Fund

“Francis S.M. Chou”

Francis S.M. Chou
Chief Executive Officer

“Sewan Chou”

Sewan Chou
Chief Financial Officer

On behalf of the Board of Directors of Chou Associates Management Inc., as Trustee, Manager and Promoter of Chou RRSP Fund, Chou Associates Fund, Chou Europe Fund, Chou Asia Fund and Chou Bond Fund

“Tracy Chou”

Tracy Chou
Director

SPECIFIC INFORMATION ABOUT THE CHOU FUNDS

WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

What is a Mutual Fund?

A mutual fund is an investment vehicle created to permit people with similar investment objectives to pool their money. People who contribute money become investors or unitholders of the mutual fund. The units represent the proportionate interest the unitholders have in a fund's income and expenses and in gains or losses a fund makes on its investments. Mutual fund unitholders share the mutual fund's income, expenses and the gains and losses of the mutual fund in proportion to the units they own.

Series of Units

The Funds issue units in more than one series. A series of units may be viewed as a subdivision of a Fund for certain purposes (e.g. calculation of fees), but for other purposes (e.g. investment activity), the Fund remains undivided. See **Purchases, Switches, and Redemptions** on page 10 for more information.

What are the General Risks of Investing in Mutual Funds?

Mutual funds own different types of investments, depending upon the fund's investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, and market and company news. As a result, the value of a mutual fund's units may go up and down, and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it. Unprecedented turbulence in financial markets over the last years reduced liquidity in equity, credit and fixed-income markets and may negatively affect many investments worldwide, which could have an adverse effect on the Fund.

The full amount of your investment in any Chou Fund is not guaranteed. Unlike bank accounts or GIC's, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, a mutual fund may suspend redemptions.

Different Mutual Funds have Different Risks

All mutual funds involve some level of risk. Risk is the possibility you will either lose money or make no money on your investment. Generally, the higher an investment's anticipated return, the greater its risk. You should carefully review your tolerance for risk when reviewing an investment's anticipated return.

What are the Specific Risks associated with Mutual Funds?

Below are some of the specific risks that may affect the value of your investment in the Chou Funds.

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 a fund's objectives depend 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.

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 Fund may invest in debt securities that are issued by U.S. Government sponsored entities. Investments in these securities involve credit risk as they are not backed by the full faith and credit of the U.S. Government. The Fund 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.

Concentration Risk

Because the Fund tends to concentrate in particular issuers or securities, it may be more affected by the performance of each particular issuer or security and will tend to be more volatile than more diversified funds.

Covered Call Option Risk

Because the Fund may write covered call options, the Fund may be exposed to risk stemming from changes in the value of the stock that the option is written against. While call option premiums may generate incremental portfolio income, they also can limit gains from market movements. When the Fund writes covered calls on existing positions, it is limiting the potential upside in those particular stocks.

Cyber Security Risk

As the use of technology has become more prevalent in the course of business, the Fund has become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Fund to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Cyber security breaches may involve unauthorized access to the Fund's digital information systems (e.g., through "hacking" or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cyber security breaches of the Fund's third-party service providers (e.g. administrators and custodians) or issuers that the Fund invests in can also subject the Fund to many of the same risks associated with direct cyber security breaches.

Derivatives Risk

Derivatives risk occurs when a fund enters into a derivatives transaction. A derivative is a contract between two parties, the value of which is based on the performance of other investments, such as equities, bonds, currencies or a market index. Derivatives may be traded in the over-the-counter market or on a stock exchange. A derivative is commonly a future or a forward contract or an option, but there are other types of derivative instruments as well. Futures or forward contracts are agreements to buy or sell a security, commodity or currency for a certain price on a certain future date. Options give the buyer the right to buy or sell a security, commodity or currency for a certain price on a certain future date. Derivatives may be used 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. This is called hedging. Derivatives may also be used to obtain exposure to financial markets, reduce transaction costs, create liquidity or increase the speed of portfolio transactions. These investments are made for non-hedging purposes.

The following risks are associated with using derivatives:

- a premium paid for the derivatives erodes over time and may expire worthless;
- the use of derivatives for hedging may not be effective;
- a derivative contract may not be obtained when desired by a fund because: (i) there may be a lack of parties wanting to buy or sell a derivative contract; or (ii) the exchanges on which some derivatives are traded may set daily trading limits on future contracts, preventing the fund from closing a contract;
- the other party to the derivative contract may not be able to meet its obligations and may default;
- if an exchange halts trading in a certain stock option, a fund may not be able to close its position in an option;
- the cost of the derivative contract may increase;
- the price of a derivative may not accurately reflect the value of the underlying security or index;
- the Tax Act, or its interpretation, may change in respect of the tax treatment of derivatives; and
- a large percentage of the assets of a fund may be placed on deposit with one or more counterparties which exposes the fund to the credit risk of those counterparties.

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 of 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 that 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, a fund may be restricted from disposing of such securities.

Emerging Markets Risk

Emerging markets risk occurs because emerging markets are generally smaller, less developed, less liquid and more volatile than securities markets in Canada and the U.S. The risk of political or social upheaval is greater in emerging securities markets. Inflation and rapid fluctuations in inflation rates have had and may continue to have negative effects on the economies and securities markets of certain emerging market countries. Moreover, many of the emerging securities markets are relatively small, have low trading volumes, suffer periods of relative illiquidity and are characterized by significant price volatility and high transaction costs.

Equity Risk

Funds which concentrate on equity investments are affected by specific company developments, by stock market conditions and by general economic and financial conditions in those countries where the investments are listed for trading. Equity funds generally tend to be more volatile than fixed income funds, and the value of their securities may vary more widely than fixed income funds.

Extreme Market Disruptions Risk

Certain extreme events, such as natural disasters, war, civil unrest, terrorist attacks, and public health crises like epidemics, pandemics or outbreaks of new infectious diseases or viruses can materially adversely affect the Fund's business, financial condition, liquidity or results of operations. Public health crises can also result in operating, supply chain, and project development delays that can materially adversely affect the operations of third parties in which a Fund has an interest.

It is difficult to predict how the Fund may be affected if a pandemic were to persist for an extended period of time. Similarly, the effects of terrorist acts (or threats thereof), military action or similar unexpected disruptive events on the economies and securities markets of countries cannot be predicted. Natural disasters, war and civil unrest can also have materially adverse impacts on economic enterprises in the impacted countries. All such extreme events may impact Fund performance.

Foreign Currency Risk

Currency risk occurs when the Fund invests in securities denominated or traded in currencies other than the Canadian dollar. Changes in foreign currency exchange rates will affect the value of these securities.

Foreign Market Risk

The economic environment or the particular economic and political factors of the country or geographic region in which the foreign issuer operates may impact the value of its securities. There is often less available information about foreign companies than their North American counterparts due to less stringent reporting standards, government regulation and other disclosure requirements. This may make the price changes of investments in those companies increase or decrease more rapidly. Foreign stock markets may also be less liquid and more volatile, and may be subject to different financial, political or social factors which could negatively impact the value of a fund's investments. As a result, funds which specialize in foreign portfolio investments tend to be the most volatile funds in the short term, but may offer the potential of higher returns over the long term.

General Market Risk

General market risk occurs when markets go down in value on the basis of economic developments, political changes, changes in economic policy or catastrophes.

Interest Rate Risk

Interest rate risk is the risk that the value of a fund's investments in fixed income securities will fall when interest rates rise. The effect of increasing interest rates is more pronounced for any intermediate-term or longer-term fixed income obligations owned by the 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 noninvestment grade securities.

Issuer Risk

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

Large Investor Risk

The units of a fund may be held in significant percentages by an investor, including another fund. In order to meet purchase and redemption requests by the investor, the fund may have to alter its holdings significantly and purchase or sell investments at unfavorable prices and incur capital gains and transaction costs. This can reduce the returns of the fund.

Legal and Regulatory Risk

Legal and regulatory risk occurs as a result of the costs of complying with laws and regulations of governmental authorities or legal actions.

Liquidity Risk

Liquidity risk occurs when a fund is not able to sell securities in a timely manner. This could be the result of an insufficient number of buyers in the market for a particular security. Investments with lower liquidity generally will be more volatile. Additionally, illiquid securities may be more difficult to value accurately and may experience larger price changes, causing greater fluctuations in the Fund's value.

Political Risk

Political risk is the risk that a certain industry or company within that industry may be negatively impacted by the current legislative environment. Examples of political risk include increased regulation and windfall taxes.

Portfolio Manager Risk

The Fund is dependent on its portfolio manager to select its investments. The Fund is therefore subject to the risk that poor security selection or asset allocation decisions will cause the Fund to underperform relative to its benchmark or other mutual funds with similar investment objectives.

Prepayment Risk

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

Regional Risk

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 a 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 a fund's assets are invested, the fund may experience substantial illiquidity or reduction in the value of the fund's investments.

Refinancing Risk

Refinancing risk is 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.

Securities Lending, Repurchase and Reverse Repurchase Risk

Repurchase and reverse repurchase transactions and securities lending risk may occur if the Fund enters into repurchase and reverse repurchase transactions and/or securities lending agreements. Investors will be given 60 days' prior written notice before the Fund starts to enter into these types of transactions.

A repurchase transaction is where a fund sells portfolio securities that it owns to a third party for cash and simultaneously agrees to buy back the securities at a later date at a specified price using the cash received by the fund from the third party. While the fund retains its exposure to changes in the value of the portfolio securities, it also earns fees for participating in the repurchase transaction.

A reverse repurchase transaction is where a fund purchases securities from a third party and simultaneously agrees to sell the securities back to the third party at a later date at a specified price. The difference between the Fund's purchase price for the securities and the resale price provides the Fund with additional income.

A securities lending agreement is similar to a repurchase agreement except that instead of selling the securities and agreeing to buy them back later, a fund loans the securities for a fee and can demand the return of the securities at any time. While the securities are on loan, the borrower provides the fund with collateral consisting of cash and/or securities.

The risks associated with these types of transactions arise if the other party to the agreement defaults or goes bankrupt and the fund experiences losses or delays in recovering its investment. In a repurchase or securities lending transaction, a fund could incur a loss if the value of the securities sold or loaned has increased in value relative to the value of the cash or collateral held by the fund. In the case of a reverse repurchase transaction, a fund could incur a loss if the value of the securities purchased by the fund decreases in value relative to the value of the collateral held by the fund.

To minimize these risks, the Fund will not enter into these types of transactions unless it is, at a minimum, fully collateralized by liquid securities with a value of at least 102% of the market value of the securities sold, purchased or loaned, as the case may be. The Fund will not enter into a repurchase or securities lending agreement if, immediately thereafter, the aggregate market value of all securities loaned by the Fund and not yet returned to it or sold by the Fund and not yet repurchased would exceed 50% of the net asset value of the Fund, exclusive of cash held by the Fund. To minimize the risk of loss to the Fund, these transactions will only be entered into with parties that have adequate resources and financial strength to meet their obligations under the agreement.

Series Risk

Series risk occurs in a fund that issues units in series. Each series has its own fees and expenses, which the Fund tracks separately. If, for any reason, a fund cannot pay the expenses of one series using its proportionate share of the fund's assets, the fund will be required to pay those expenses out of the other series' proportionate share of the assets. This could lower the investment return of the other series.

Short Selling Risk

As one of their respective investment strategies, the Funds may engage in short selling securities. A short sale of a security may expose a Fund to losses if the price of the security sold short increases because the Fund may be required to purchase such securities in order to cover its short position at a higher price than the price at which such securities were sold short. The potential loss on the short sale of securities is unlimited. In addition, a short sale entails the borrowing of the security in order that the short sale may be transacted. There is no assurance that the lender of the security will not require the security to be repaid before the relevant Fund wishes to do so, thereby requiring the Fund to borrow the security elsewhere or purchase the security in the market at an unattractive price. In addition, there is no assurance that the security sold short can be repurchased due to supply and demand constraints in the marketplace.

Small Capitalization Risk

Securities of smaller companies are usually traded less frequently and in smaller volumes than those of large companies. Funds that invest a significant portion of their assets in small companies are subject to small capitalization risk and may find it more difficult to buy and sell securities and tend to be more volatile than funds that focus on larger capitalization companies.

Tax Risk

The Fund is a "registered investment" and intends to qualify as a "mutual fund trust" under the Tax Act. As long as the Fund continues to be a registered investment or the Fund becomes qualified as a "mutual fund trust" under the Tax Act, units of the Fund are or are expected to be a "qualified investment" under the Tax Act for registered retirement savings plans (RRSPs), registered retirement income Fund (RRIFs), tax-free savings accounts (TFSA), registered education savings plans (RESPs), registered disability savings plans (RDSPs) and deferred profit-sharing plans (DPSPs). The Fund will not acquire an investment which is not a "qualified investment" under the Tax Act if, as a result thereof, the Fund would become subject to tax under Part X.2 of the Tax Act.

For the Fund to qualify as a "mutual fund trust", it must comply on a continuous basis with certain requirements relating to the qualification of its Units for distribution to the public, the number of unitholders of the Fund and the dispersal of ownership of its Units. In addition the Fund will be deemed not to be a mutual fund trust if it is established or maintained primarily for the benefit of non-residents of Canada unless, at that time, all or substantially all of its property is property other than "taxable Canadian property" as defined in the Tax Act.

There can be no assurance that the Canadian federal and provincial income tax laws respecting the treatment of mutual funds will not be changed in a manner that will adversely affect the unitholders. In addition, there can be no assurance that Canada Revenue Agency will agree with the tax treatment adopted by the Fund in filing its tax return (e.g. deduction of expenses or recognition of income) and Canada Revenue Agency could reassess the Fund on a basis that results in tax being payable by the Fund or additional tax being paid by a unitholder.

Although the Fund expects to maintain its status as a "registered investment" and intends to qualify as a "mutual fund trust" under the Tax Act, if the Fund ceases to maintain its status or fails to so qualify, the Units will not be qualified investments or will cease to be qualified investments for RRSPs, RRIFs and TFSAs. In addition, the Fund will then be required to pay a tax under Part XII.2 of the Tax Act. The payment of Part XII.2 tax by the Fund may have adverse income tax consequences for certain unitholders including non-resident persons and RRSPs, RRIFs and TFSAs that acquired an interest in the Fund directly or indirectly from another unitholder. The Fund will endeavour to ensure that the Units constitute and continue to be qualified investments for RRSPs, RRIFs and TFSAs. The Tax Act imposes penalties for the acquisition or holding of non-qualified or ineligible investments and there is no assurance that the conditions prescribed for such qualified or eligible investments will be adhered to at any particular time.

The Tax Act contains rules concerning the taxation of publicly traded Canadian trusts and partnerships that own certain types of property defined as "non-portfolio property". A trust that is subject to these rules is subject to trust level taxation, at rates comparable to those that apply to corporations, on the trust's income earned from "non-portfolio property" to the extent that such income is distributed to its unitholders. These rules should not impose any tax on the Fund as long as it adheres to its investment restriction in this regard. If these rules apply to the Fund, the after-tax return to its unitholders could be reduced, particularly in the case of a unitholder who is exempt from tax under the Tax Act or is a non-resident of Canada.

The Tax Act contains LRE rules that could potentially apply to the Fund. In general, a LRE will occur to a fund if a person (or group of persons) acquires units of the fund worth more than 50% of the fair market value of all the units of the fund. If a LRE occurs (i) a fund will be deemed to have a year-end for tax purposes, (ii) any net income and net realized capital gains of the fund at such year-end will be distributed to unitholders of the fund, and (iii) the fund will be restricted in its ability to use tax losses (including any unrealized capital losses) that exist at the time of the LRE. However, the Fund will be exempt from the application of the LRE rules in most circumstances provided that the Fund is an "investment fund" which requires the Fund to satisfy certain investment diversification rules.

The Fund is generally required to pay GST/HST on any management fees and most of the other fees and expenses that it has to pay. Ontario has harmonized its provincial sales taxes with the GST/HST and it is possible that additional provinces will decide to harmonize their provincial sales taxes with the GST/HST. Further, British Columbia has de-harmonized, such that both the 5% GST and 7% provincial sales tax will apply generally in the province. These changes may be accompanied by additional changes to the way that the GST/HST and provincial sales taxes apply to fees and expenses incurred by mutual funds, which, accordingly, may affect the costs borne by the Fund and its unitholders.

Value Stock Risk

Value stock risk occurs when value securities do not increase in price as anticipated by us and may decline further in value if other investors fail to recognize the company's value or favour investing in faster-growing companies, or if the events or factors that we believe will increase a security's market value do not occur.

NAME, FORMATION, AND HISTORY OF THE FUND

The Chou Funds are open-ended mutual funds established under the laws of Ontario. The Chou Funds are governed by an Amended and Restated Declaration of Trust dated as of August 10, 2005, as amended on September 7, 2007, and further amended on September 23, 2020, and September 23, 2022. Accordingly, the dates of formation for each of the Chou Funds are: Chou Associates Fund (September 1, 1986), Chou RRSP Fund (September 1, 1986), Chou Asia Fund (August 26, 2003), Chou Europe Fund (August 26, 2003), and Chou Bond Fund (August 10, 2005).

The principal address of the Funds and the Manager is 110 Sheppard Avenue East, Suite 301, P.O. Box 18, Toronto, Ontario, M2N 6Y8.

History

Fund	Former names in the last 10 years	Date of original declaration of trust (date of formation)	Major events in the last 10 years
Chou Associates Fund	Nil.	September 1, 1986	Nil.
Chou RRSP Fund	Nil.	September 1, 1986	Nil.
Chou Europe Fund	Nil.	August 26, 2003	Nil.
Chou Asia Fund	Nil.	August 26, 2003	Nil.
Chou Bond Fund	Nil.	August 10, 2005	Nil.

FUND DETAILS - GENERALLY

The Chou Funds is currently made up of five Funds. The following information applies to each Fund.

What Does the Fund Invest In?

Investment Objectives

The fundamental investment objectives of each Fund are disclosed under **Investment Objectives**. If there is a change in these objectives, you should consider whether a Fund remains an appropriate investment in light of your current financial position and needs. There can be no assurance that a Fund's investment objectives will be met.

Investment Strategies

This section outlines the process by which the Fund will achieve the investment objectives. We may change a Fund's investment strategies from time to time at our discretion without notice or unitholder approval.

What are the Risks of Investing in the Fund?

Risks specific to individual Funds are identified in this section. General information about risks is outlined starting on page 20 in **What is a Mutual Fund and What are the Risks of Investing in a Mutual Fund?**

Who Should Invest in this Fund?

This section identifies the suitability of the Fund for particular investors and the particular investors for whom the Fund is not suitable. It also identifies the type of risk level for a Fund to help you determine which Fund is best for you given your risk tolerance.

Distribution Policy

Each year, the Funds distribute sufficient net income and net realized capital gains to all unitholders who own units on the record date for the distribution in order that the Funds will not be liable for tax under Part I of the Tax Act after taking into account applicable losses and capital gains tax refunds applicable to mutual fund trusts, if any. A portion

of a distribution may include a return of capital. Generally, a return of capital represents a return to the unitholder of a portion of their own invested capital. This amount will not be included in your income but will reduce the adjusted cost base of your units in a Fund, unless the Fund elects to treat such amounts as a distribution of income. Distributions are automatically reinvested in additional units of the same series of the Fund unless you notify your dealer, in advance, that you want to receive your distribution in cash. The Funds will elect to have a taxation year-end of December 15 and will make an annual distribution of net income and net realized capital gains between December 15 and December 31 of each year. The Funds may also make distributions at other times during the year.

Additional information about the Funds is available in the Fund Facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as part of this document.

You can obtain a copy of these documents free of cost by calling (416) 214-0675 in Greater Toronto or 1-888-357-5070 outside Toronto, or from your broker or dealer, or by email at admin@choufunds.com.

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the Chou Associates Management Inc. internet site at www.choufunds.com or at the internet site www.sedarplus.ca.

INVESTMENT RISK CLASSIFICATION

The investment risk level of the Chou Funds is required to be determined in accordance with a standardized risk classification methodology that is based on the Chou Funds' historical volatility as measured by the 10-year standard deviation of the returns of the mutual fund. A Fund will be assigned a risk rating in one of the following categories: low; low to medium; medium; medium to high; or high. The Manager assigns a risk rating category that is at the applicable rating indicated by the standard deviation ranges in the Investment Risk Classification Methodology, as outlined in the table below under Investment Risk Level standard deviation ranges and risk ratings:

Standard Deviation Range	Investment Risk Level
0 to less than 6	Low
6 to less than 11	Low to Medium
11 to less than 16	Medium
16 to less than 20	Medium to High
20 or greater	High

We review the risk levels on an annual basis. The manner in which we identify risks is available on request, at no cost, by contacting us using the information found at the back of this Simplified Prospectus. Historical performance may not be indicative of future returns and a fund's historical volatility may not be an indication of its future volatility.

A more detailed explanation of the methodology the Manager uses to determine the risk rating of the Funds is available on request, at no cost, by calling (416) 214-0675 in Greater Toronto or 1-888-357-5070 outside Toronto, or by email at admin@choufunds.com.

FUND DETAILS – CHOU ASSOCIATES FUND

Type of Fund	Equity
Date the Series was Started	Series A: September 1, 1986 Series F: August 10, 2005
Securities Offered	Series A and Series F units of a mutual fund trust
Registered tax plan status	Eligible for RRSP's, RRIF's, RDSP's, DPSP's, RESP's and TFSA's
Fees and expenses	Series A: Management Fee of 1.5% per annum plus the Fund's operating expenses, payable monthly. Series F: Management Fee of 1% per annum plus the Fund's operating expenses, payable monthly.

What Does Chou Associates Fund Invest in?

Investment Objectives

- The Fund's objective is to provide long-term growth of capital by investing primarily in equity securities of U.S. and foreign businesses considered by the Manager to be undervalued. The Fund may invest in the equity securities of Canadian businesses.
- Investments may include common and preferred shares, convertible debentures, warrants, government and corporate bonds and short-term indebtedness.
- The fundamental investment objectives of the Fund may only be changed with the approval of the holders of a majority of the units of the Fund given at a meeting called for that purpose.

Investment Strategies

The Chou Funds Investment Process

The investment process followed in selecting equity investments, convertible debentures, warrants, government and corporate bonds and short-term indebtedness for the Funds is a value-oriented approach to investing. This involves a detailed analysis of the strengths of individual companies, with much less emphasis on short-term market factors. Far greater importance is placed upon an assessment of a company's balance sheet, cash flow characteristics, profitability, industry position, special strengths, future growth potential and management ability. No more than 35% of the net assets of the Fund, at the time of purchase, will be invested in equity securities of Canadian businesses.

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

Once an investment is made, the Fund is expected 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 within a limited number of companies, usually 25 to 35 per Fund portfolio. This helps to maintain awareness of corporate developments and communication for each company.

The Manager may decide to maintain a larger portion of the Fund's assets in short-term fixed income securities during periods of high market valuations and volatility.

Investments in Derivative Instruments

The Fund currently uses short term covered call options. The use of covered call options is intended to increase the return on investment by the amount of premium received. The Fund uses covered call options to improve returns by accepting a more certain, lower return rather than seeking a less certain, higher potential return. The Fund has provided the appropriate notice to investors that it may invest in Credit Default Swaps ("CDS"). The use of CDS's is to hedge against general market risks, including market turmoil. No more than 5% of the net assets of the Fund, at the time of purchase, will be invested in CDS's. The Fund has provided the appropriate notice to investors that it may invest in Constant Maturity Swaps ("CMS"). The use of CMS's is to hedge against interest rate increases by central banks as a result of inflationary pressures. No more than 5% of the net assets of the Fund, at the time of purchase, will be invested in CMS's. The Fund may use derivatives such as, but not limited to, futures, options, swaps and forward contracts to gain exposure to securities and asset classes consistent with the objectives of the Fund, and to hedge portfolio exposure against losses from foreign currency exposure and changes in securities prices. The Fund may use derivatives to hedge portfolio exposure against losses from Canadian dollar exposure. The Fund may enter into other derivative transactions after giving investors 60 days prior written notice. For a description of these transactions and the strategies to be used by the Fund to minimize the risks associated with these transactions, please see the discussion under **Derivatives Risk** at page 21.

Short Selling Overvalued Securities

The Fund may engage in short selling of securities which it believes are overvalued based on its traditional fundamental research and analysis of such securities. These may include, in particular, securities of issuers with deteriorating fundamentals and weak balance sheets. The Fund may also take a short position in securities of a particular issuer while taking a long position in securities of another issuer in an attempt to take advantage of relative valuation differences between the two issuers. The Fund may make such a "pairs trade" when it believes that the fundamentals of the issuer in which the Fund holds a long position will become increasingly attractive as compared to those of the issuer in which the Fund holds a short position.

The Manager will manage the relative weightings of the long and short positions in the Fund's portfolio to achieve its investment objective. The Fund's net market exposure will depend on, among other things, the Manager's view of domestic and international economic and market trends. The total market value of the Fund's short positions at any time will not exceed the total market value of its long positions. As a result, the Fund will at no time have negative market exposure. For a description of these transactions and the risks associated therewith, please see the discussion under **Short Selling Risk** at page 25.

Interim Investments

While waiting to invest or disburse cash reserves in the Funds, we may buy short-term debt securities and money market instruments, or we may deposit cash in interest-bearing accounts with a bank or trust company.

Securities Lending, Repurchase and Reverse Repurchase Transactions

The Fund may enter into repurchase and reverse repurchase and securities lending agreements in order to earn additional income and manage its portfolio after giving investors 60 days prior written notice. For a description of these transactions and the strategies to be used by the Fund to minimize the risks associated with these transactions, please see the discussion under **Securities Lending, Repurchase and Reverse Repurchase Risk** at page 24.

What are the Risks of Investing in Chou Associates Fund?

In addition to the above risks which apply to the Funds generally, investors in Chou Associates Fund face the following additional risks. See page 20 and following for a full discussion of these risks:

- Below-Investment Grade Securities Risk
- Credit Risk
- Concentration Risk
- Covered Call Option Risk
- Cyber Security Risk
- Derivatives Risk
- Distressed Securities Risk
- Equity Risk
- Extreme Markets Disruption Risk
- Foreign Currency Risk
- Foreign Market Risk
- General Market Risk
- Interest Rate Risk
- Issuer Risk
- Legal and Regulatory Risk
- Liquidity Risk
- Political Risk
- Portfolio Manager Risk
- Prepayment Risk
- Regional Risk
- Refinancing Risk
- Securities Lending, Repurchase and Reverse Repurchase Risk
- Series Risk
- Short Selling Risk
- Small Capitalization Risk
- Value Stock Risk

As at August 31, 2025, Fairfax Financial Holdings holds approximately 18.2% of the total outstanding units of the Fund. If Fairfax redeems its securities, a significant portion of the Fund's investments may have to be liquidated in order to redeem these securities unless a proportionate amount of the investments can be transferred to Fairfax. The timing of such liquidation may not be appropriate and all investors may suffer a proportionate loss as a result of such liquidation. Fairfax Financial agreed in 2002 that it would not exercise any voting rights attaching to units of Chou Associates Fund or otherwise in any manner attempt to influence the affairs of the Chou Funds. This agreement remains in full force and effect and has been complied with by Fairfax Financial to date.

As at August 31, 2025, the Fund invested as much as 34.8% of its net assets in Berkshire Hathaway Inc., Class "A" common shares, as much as 13.1% of its net assets in EXCO Resources Inc. common shares, and as much as 12.6% of its net assets in United States Treasury bills maturing on 09/09/2025. See page 21 for a description of the **Concentration Risk**.

Who Should Invest in Chou Associates Fund?

The Fund is suitable for investors seeking capital gains over the long term, with a medium to high tolerance for risk. The Fund is not appropriate for an investor with a short-term investment horizon.

Distribution Policy

The Fund's distribution policy is described on page 27.

FUND DETAILS – CHOU RRSP FUND

Type of Fund	Equity
Date the Series was Started	Series A: September 1, 1986 Series F: August 10, 2005
Securities Offered	Series A and Series F units of a mutual fund trust
Registered tax plan status	Eligible for RRSP's, RRIF's, RDSP's, DPSP's, RESP's and TFSA's
Fees and expenses	Series A: Management Fee of 1.5% per annum plus the Fund's operating expenses, payable monthly. Series F: Management Fee of 1% per annum plus the Fund's operating expenses, payable monthly.

What Does Chou RRSP Fund Invest in?**Investment Objectives**

- The Fund's objective is to provide long-term growth of capital by investing in equity and debt instruments of primarily Canadian businesses. The Fund may invest in equity and debt instruments of U.S. and foreign businesses.
- Investments may include common and preferred shares, convertible debentures, warrants, government and corporate bonds and short-term indebtedness.
- The fundamental investment objectives of the Fund may only be changed with the approval of the holders of a majority of the units of the Fund given at a meeting called for that purpose.

Investment Strategies*The Chou Funds Investment Process*

The investment process followed in selecting equity investments, convertible debentures, warrants, government and corporate bonds and short-term indebtedness for the Funds is a value-oriented approach to investing. This involves a detailed analysis of the strengths of individual companies, with much less emphasis on short-term market factors. Far greater importance is placed upon an assessment of a company's balance sheet, cash flow characteristics, profitability, industry position, special strengths, future growth potential and management ability.

No more than 49% of the net assets of the Fund, at the time of purchase, will be invested in equity and debt instruments of U.S. and foreign businesses.

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

Once an investment is made, the Fund is expected 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 within a limited number of companies, usually 25 to 35 per Fund portfolio. This helps to maintain awareness of corporate developments and communication for each company.

The Manager may decide to maintain a larger portion of the Fund's assets in short-term fixed income securities during periods of high market valuations and volatility.

Investments in Derivative Instruments

The Fund currently uses short term covered call options. The use of covered call options is intended to increase the return on investment by the amount of premium received. The Fund uses covered call options to improve returns by accepting a more certain, lower return rather than seeking a less certain, higher potential return. The Fund has provided the appropriate notice to investors that it may invest in CDS's. The use of CDS's is to hedge against general market risks, including market turmoil. No more than 5% of the net assets of the Fund, at the time of purchase, will be invested in CDS's. The Fund has provided the appropriate notice to investors that it may invest in CMS's. The use of CMS's is to hedge against interest rate increases by central banks as a result of inflationary pressures. No more than 5% of the net assets of the Fund, at the time of purchase, will be invested in CMS's. The Fund may use derivatives such as, but not limited to, futures, options, swaps and forward contracts to gain exposure to securities and asset classes consistent with the objectives of the Fund, and to hedge portfolio exposure against losses from foreign currency exposure and changes in securities prices. The Fund may use derivatives to hedge portfolio exposure against losses from Canadian dollar exposure. The Fund may enter into other derivative transactions after giving investors 60 days prior written notice. For a description of these transactions and the strategies to be used by the Fund to minimize the risks associated with these transactions, please see the discussion under **Derivatives Risk** at page 21.

Short Selling Overvalued Securities

The Fund may engage in short selling of securities which it believes are overvalued based on its traditional fundamental research and analysis of such securities. These may include, in particular, securities of issuers with deteriorating fundamentals and weak balance sheets. The Fund may also take a short position in securities of a particular issuer while taking a long position in securities of another issuer in an attempt to take advantage of relative valuation differences between the two issuers. The Fund may make such a "pairs trade" when it believes that the fundamentals of the issuer in which the Fund holds a long position will become increasingly attractive as compared to those of the issuer in which the Fund holds a short position.

The Manager will manage the relative weightings of the long and short positions in the Fund's portfolio to achieve its investment objective. The Fund's net market exposure will depend on, among other things, the Manager's view of domestic and international economic and market trends. The total market value of the Fund's short positions at any time will not exceed the total market value of its long positions. As a result, the Fund will at no time have negative market exposure. For a description of these transactions and the risks associated therewith, please see the discussion under **Short Selling Risk** at page 25.

Interim Investments

While waiting to invest or disburse cash reserves in the Funds, we may buy short-term debt securities and money market instruments, or we may deposit cash in interest-bearing accounts with a bank or trust company.

Securities Lending, Repurchase and Reverse Repurchase Transactions

The Fund may enter into repurchase and reverse repurchase and securities lending agreements in order to earn additional income and manage its portfolio after giving investors 60 days prior written notice. For a description of these transactions and the strategies to be used by the Fund to minimize the risks associated with these transactions, please see the discussion under **Securities Lending, Repurchase and Reverse Repurchase Risk** at page 24.

What are the Risks of Investing in Chou RRSP Fund?

In addition to the above risks which apply to the Funds generally, investors in Chou RRSP Fund face the following additional risks. See page 20 and following for a full discussion of these risks:

- Below-Investment Grade Securities Risk
- Credit Risk
- Concentration Risk
- Covered Call Option Risk
- Cyber Security Risk
- Derivatives Risk
- Distressed Securities Risk
- Equity Risk
- Extreme Markets Disruption Risk
- Foreign Currency Risk
- Foreign Market Risk
- General Market Risk
- Interest Rate Risk
- Issuer Risk
- Legal and Regulatory Risk
- Liquidity Risk
- Political Risk
- Portfolio Manager Risk
- Prepayment Risk
- Regional Risk
- Refinancing Risk
- Securities Lending, Repurchase and Reverse Repurchase Risk
- Series Risk
- Short Selling Risk
- Small Capitalization Risk
- Value Stock Risk

As at August 31, 2025, the Fund invested as much as 16.7% of its net assets in United States Treasury bills maturing on 09/09/2025, as much as 16.0% of its net assets in TWC Enterprises Limited common shares and as much as 11.6% of its net assets in EXCO Resources Inc. common shares. See page 21 for a description of the **Concentration Risk**.

Who Should Invest in Chou RRSP Fund?

The Fund is suitable for investors seeking capital gains over the long term, with a medium to high tolerance for risk. The Fund is not appropriate for an investor with a short-term investment horizon.

Distribution Policy

The Fund's distribution policy is described on page 27.

FUND DETAILS – CHOU EUROPE FUND

Type of Fund	Equity
Date the Series was Started	Series A: August 26, 2003 Series F: August 10, 2005
Securities Offered	Series A and Series F units of a mutual fund trust
Registered tax plan status	Eligible for RRSP's, RRIF's, RDSP's, DPSP's, RESP's and TFSA's
Fees and expenses	Series A: Management Fee of 1.5% per annum plus the Fund's operating expenses, payable monthly. Series F: Management Fee of 1% per annum plus the Fund's operating expenses, payable monthly. The Manager has determined that it will waive all management fees through to December 31, 2024. Any decision to waive management fees, in whole or in part, is reviewed annually and determined at the discretion of the Manager, without notice to unitholders.

What Does Chou Europe Fund Invest in?**Investment Objectives**

- The Fund's objective is to provide long-term growth of capital by investing primarily in the securities markets of Europe considered by the Manager to be undervalued. Investments may be made in securities markets outside of Europe.
- Investments may include common and preferred shares, convertible debentures, warrants, government and corporate bonds and short-term indebtedness.
- The fundamental investment objectives of the Fund may only be changed with the approval of the holders of a majority of the units of the Fund given at a meeting called for that purpose.

Investment Strategies*The Chou Funds Investment Process*

The investment process followed in selecting equity investments, convertible debentures, warrants, government and corporate bonds and short-term indebtedness for the Funds is a value-oriented approach to investing that focuses on the European market. This involves a detailed analysis of the strengths of individual companies, with much less emphasis on short-term market factors. Far greater importance is placed upon an assessment of a company's balance sheet, cash flow characteristics, profitability, industry position, special strengths, future growth potential and management ability.

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

Once an investment is made, the Fund is expected 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 within a limited number of companies, usually 25 to 35 per Fund portfolio. This helps to maintain awareness of corporate developments and communication for each company.

The Manager may decide to maintain a larger portion of the Fund's assets in short-term fixed income securities during periods of high market valuations and volatility.

Investments in Derivative Instruments

The Fund currently uses short term covered call options. The use of covered call options is intended to increase the return on investment by the amount of premium received. The Fund uses covered call options to improve returns by accepting a more certain, lower return rather than seeking a less certain, higher potential return. The Fund has provided the appropriate notice to investors that it may invest in CDS's. The use of CDS's is to hedge against general market risks, including market turmoil. No more than 5% of the net assets of the Fund, at the time of purchase, will be invested in CDS's. The Fund has provided the appropriate notice to investors that it may invest in CMS's. The use of CMS's is to hedge against interest rate increases by central banks as a result of inflationary pressures. No more than 5% of the net assets of the Fund, at the time of purchase, will be invested in CMS's. The Fund may use derivatives such as, but not limited to, futures, options, swaps and forward contracts to gain exposure to securities and asset classes consistent with the objectives of the Fund, and to hedge portfolio exposure against losses from foreign currency exposure and changes in securities prices. The Fund may use derivatives to hedge portfolio exposure against losses from Canadian dollar exposure. The Fund may enter into other derivative transactions after giving investors 60 days prior written notice. For a description of these transactions and the strategies to be used by the Fund to minimize the risks associated with these transactions, please see the discussion under **Derivatives Risk** at page 21.

Short Selling Overvalued Securities

The Fund may engage in short selling of securities which it believes are overvalued based on its traditional fundamental research and analysis of such securities. These may include, in particular, securities of issuers with deteriorating fundamentals and weak balance sheets. The Fund may also take a short position in securities of a particular issuer while taking a long position in securities of another issuer in an attempt to take advantage of relative valuation differences between the two issuers. The Fund may make such a "pairs trade" when it believes that the fundamentals of the issuer in which the Fund holds a long position will become increasingly attractive as compared to those of the issuer in which the Fund holds a short position.

The Manager will manage the relative weightings of the long and short positions in the Fund's portfolio to achieve its investment objective. The Fund's net market exposure will depend on, among other things, the Manager's view of domestic and international economic and market trends. The total market value of the Fund's short positions at any time will not exceed the total market value of its long positions. As a result, the Fund will at no time have negative market exposure. For a description of these transactions and the risks associated therewith, please see the discussion under **Short Selling Risk** at page 25.

Interim Investments

While waiting to invest or disburse cash reserves in the Funds, we may buy short-term debt securities and money market instruments, or we may deposit cash in interest-bearing accounts with a bank or trust company.

Securities Lending, Repurchase and Reverse Repurchase Transactions

The Fund may enter into repurchase and reverse repurchase and securities lending agreements in order to earn additional income and manage its portfolio after giving investors 60 days prior written notice. For a description of these transactions and the strategies to be used by the Fund to minimize the risks associated with these transactions, please see the discussion under **Securities Lending, Repurchase and Reverse Repurchase Risk** at page 24.

What are the Risks of Investing in Chou Europe Fund?

In addition to the above risks which apply to the Funds generally, investors in Chou Europe Fund face the following additional risks. See page 20 and following for a full discussion of these risks:

- Below-Investment Grade Securities Risk
- Credit Risk
- Concentration Risk
- Covered Call Option Risk
- Cyber Security Risk
- Derivatives Risk
- Emerging Markets Risk
- Extreme Markets Disruption Risk
- Distressed Securities Risk
- Equity Risk
- Foreign Currency Risk
- Foreign Market Risk
- General Market Risk
- Interest Rate Risk
- Issuer Risk
- Legal and Regulatory Risk
- Liquidity Risk
- Political Risk
- Portfolio Manager Risk
- Prepayment Risk
- Regional Risk
- Refinancing Risk
- Securities Lending, Repurchase and Reverse Repurchase Risk
- Series Risk
- Short Selling Risk
- Small Capitalization Risk
- Value Stock Risk

As at August 31, 2025, the Fund invested as much as 24.9% of its net assets in United States Treasury bills maturing on 09/09/2025, as much as 15.4% of its net assets in Ryanair Holdings PLC common shares, as much as 11.8% of its net assets in Stellantis NV common shares, and as much as 11.1% of its net assets in Prosus NV common shares. See page 21 for a description of the **Concentration Risk**.

Who Should Invest in Chou Europe Fund?

The Fund is suitable for investors seeking capital gains over the long term, with a medium to high tolerance for risk. The Fund is not appropriate for an investor with a short-term investment horizon. The Fund is generally suitable to diversify asset classes within a larger portfolio rather than as a core holding.

Distribution Policy

The Fund's distribution policy is described on page 27.

FUND DETAILS – CHOU ASIA FUND

Type of Fund	Equity
Date the Series was Started	Series A: August 26, 2003 Series F: August 10, 2005
Securities Offered	Series A and Series F units of a mutual fund trust
Registered tax plan status	Eligible for RRSP's, RRIF's, RDSP's, DPSP's, RESP's and TFSA's
Fees and expenses	Series A: Management Fee of 1.5% per annum plus the Fund's operating expenses, payable monthly. Series F: Management Fee of 1% per annum plus the Fund's operating expenses, payable monthly.

What Does Chou Asia Fund Invest in?**Investment Objectives**

- The Fund's objective is to provide long-term growth of capital by investing primarily in the securities markets of Asia considered by the Manager to be undervalued. Investments may be made in securities markets outside of Asia.
- Investments may include common and preferred shares, convertible debentures, warrants, government and corporate bonds and short-term indebtedness.
- The fundamental investment objectives of the Fund may only be changed with the approval of the holders of a majority of the units of the Fund given at a meeting called for that purpose.

Investment Strategies*The Chou Funds Investment Process*

The investment process followed in selecting equity investments, convertible debentures, warrants, government and corporate bonds and short-term indebtedness for the Funds is a value-oriented approach to investing that focuses on the Asian market. This involves a detailed analysis of the strengths of individual companies, with much less emphasis on short-term market factors. Far greater importance is placed upon an assessment of a company's balance sheet, cash flow characteristics, profitability, industry position, special strengths, future growth potential and management ability.

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

Once an investment is made, the Fund is expected 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 within a limited number of companies, usually 5 to 35 per Fund portfolio. This helps to maintain awareness of corporate developments and communication for each company.

The Manager may decide to maintain a larger portion of the Fund's assets in short-term fixed income securities during periods of high market valuations and volatility. Short-term fixed income securities means evidences of indebtedness that have a remaining term to maturity of 365 days or less. The Manager may decide to hold cash or other short-term fixed income securities for a long duration of time depending on market conditions. The possible range of the portion of the Fund's assets that may be held in cash or other short-term fixed income securities in such circumstances is from 10% to 40%.

Investments in Derivative Instruments

The Fund currently uses short term covered call options. The use of covered call options is intended to increase the return on investment by the amount of premium received. The Fund uses covered call options to improve returns by accepting a more certain, lower return rather than seeking a less certain, higher potential return. The Fund has provided the appropriate notice to investors that it may invest in CDS's. The use of CDS's is to hedge against general market risks, including market turmoil. No more than 5% of the net assets of the Fund, at the time of purchase, will be invested in CDS's. The Fund has provided the appropriate notice to investors that it may invest in CMS's. The use of CMS's is to hedge against interest rate increases by central banks as a result of inflationary pressures. No more than 5% of the net assets of the Fund, at the time of purchase, will be invested in CMS's. The Fund may use derivatives such as, but not limited to, futures, options, swaps and forward contracts to gain exposure to securities and asset classes consistent with the objectives of the Fund, and to hedge portfolio exposure against losses from foreign currency exposure and changes in securities prices. The Fund may use derivatives to hedge portfolio exposure against losses from Canadian dollar exposure. The Fund may enter into other derivative transactions after giving investors 60 days prior written notice. For a description of these transactions and the strategies to be used by the Fund to minimize the risks associated with these transactions, please see the discussion under **Derivatives Risk** at page 21.

Short Selling Overvalued Securities

The Fund may engage in short selling of securities which it believes are overvalued based on its traditional fundamental research and analysis of such securities. These may include, in particular, securities of issuers with deteriorating fundamentals and weak balance sheets. The Fund may also take a short position in securities of a particular issuer while taking a long position in securities of another issuer in an attempt to take advantage of relative valuation differences between the two issuers. The Fund may make such a "pairs trade" when it believes that the fundamentals of the issuer in which the Fund holds a long position will become increasingly attractive as compared to those of the issuer in which the Fund holds a short position.

The Manager will manage the relative weightings of the long and short positions in the Fund's portfolio to achieve its investment objective. The Fund's net market exposure will depend on, among other things, the Manager's view of domestic and international economic and market trends. The total market value of the Fund's short positions at any time will not exceed the total market value of its long positions. As a result, the Fund will at no time have negative market exposure. For a description of these transactions and the risks associated therewith, please see the discussion under **Short Selling Risk** at page 25.

Interim Investments

While waiting to invest or disburse cash reserves in the Funds, we may buy short-term debt securities and money market instruments, or we may deposit cash in interest-bearing accounts with a bank or trust company.

Securities Lending, Repurchase and Reverse Repurchase Transactions

The Fund may enter into repurchase and reverse repurchase and securities lending agreements in order to earn additional income and manage its portfolio after giving investors 60 days prior written notice. For a description of these transactions and the strategies to be used by the Fund to minimize the risks associated with these transactions, please see the discussion under **Securities Lending, Repurchase and Reverse Repurchase Risk** at page 24.

What are the Risks of Investing in Chou Asia Fund?

In addition to the above risks which apply to the Funds generally, investors in Chou Asia Fund face the following additional risks. See page 20 and following for a full discussion of these risks:

- Below-Investment Grade Securities Risk
- Credit Risk
- Concentration Risk
- Covered Call Option Risk
- Cyber Security Risk
- Derivatives Risk
- Emerging Markets Risk
- Distressed Securities Risk
- Equity Risk
- Extreme Markets Disruption Risk
- Foreign Currency Risk
- Foreign Market Risk
- General Market Risk
- Interest Rate Risk
- Issuer Risk
- Legal and Regulatory Risk
- Liquidity Risk
- Political Risk
- Portfolio Manager Risk
- Prepayment Risk
- Regional Risk
- Refinancing Risk
- Securities Lending, Repurchase and Reverse Repurchase Risk
- Series Risk
- Short Selling Risk
- Small Capitalization Risk
- Value Stock Risk

As at August 31, 2025, the Fund invested as much as 25.8% of its net assets in BYD Electronic (International) Company Limited common shares, as much as 16.9% of its net assets in United States Treasury bills maturing on 09/09/2025, and as much as 13.4% of its net assets in Shriram Finance Limited common shares. See page 21 for a description of the **Concentration Risk**.

Who Should Invest in Chou Asia Fund?

The Fund is suitable for investors seeking capital gains over the long term, with a medium tolerance for risk. The Fund is not appropriate for an investor with a short-term investment horizon. The Fund is generally suitable to diversify asset classes within a larger portfolio rather than as a core holding.

Distribution Policy

The Fund's distribution policy is described on page 27.

FUND DETAILS – CHOU BOND FUND

Type of Fund	Foreign Bond
Date the Series was Started	Series A and Series F: August 10, 2005
Securities Offered	Series A and Series F units of a mutual fund trust
Registered tax plan status	Eligible for RRSP's, RRIF's, RDSP's, DPSP's, RESP's and TFSA's
Fees and expenses	Series A: Management Fee of 1.15% per annum plus the Fund's operating expenses, payable monthly. Series F: Management Fee of 1% per annum plus the Fund's operating expenses, payable monthly.

What Does Chou Bond Fund Invest in?

Investment Objectives

- The Fund's objective is to provide conservation of principal and income production, along with capital appreciation.
- The Fund invests primarily in Canadian and U.S. fixed income instruments. These fixed income instruments include, but are not limited to Government of Canada, provincial, municipal and corporate issues, including convertibles and high yield fixed income instruments. Investments may be made in fixed income instruments outside of Canada and U.S.
- The fundamental investment objectives of the Fund may only be changed with the approval of the holders of a majority of the units of the Fund given at a meeting called for that purpose.

Investment Strategies

The Chou Funds Investment Process

The Fund seeks to achieve its investment objectives by investing in securities that it believes are undervalued. The Fund will generally be fully invested. A combination of investment strategies will be utilized in managing the portfolio including relative value trades, yield enhancement strategies and interest rate anticipation traces. The Fund will primarily invest in securities issued by governments, municipalities, provinces and corporations in Canada and the United States but can invest anywhere in the world. The Fund may invest in a wide variety of fixed income instruments including government bonds, corporate bonds (both investment grade and non-investment grade), preferred securities, income trusts, bank debt, commercial paper, repurchase agreements, mortgage backed securities, convertible securities and credit default swaps. No more than 35% of the net assets of the Fund, at the time of purchase, will be invested in fixed income securities outside of Canada and U.S. Investments made by the Fund are not guaranteed. Fixed income securities issued by governments may decrease in value as a result of changes in interest rates. Fixed income securities issued by corporations may decrease in value due to general market conditions or credit risks associated with the issuer.

Investments in Derivative Instruments

The Fund uses short term covered call options. The use of covered call options is intended to increase the return on investment by the amount of premium received. The Fund uses covered call options to improve returns by accepting a more certain, lower return rather than seeking a less certain, higher potential return. In order to fulfill its obligation under a covered call option, the Fund will have to purchase the corresponding equity security. Any purchase of equity securities by the Fund will be limited to covering its position under a covered call option. The Fund has provided the appropriate notice to investors that it may invest in CDS's. The use of CDS's is to hedge against general market risks, including market turmoil. No more than 5% of the net assets of the Fund, at the time of purchase, will be invested in CDS's. The Fund has provided the appropriate notice to investors that it may invest in CMS's. The use of CMS's is to hedge against interest rate increases by central banks as a result of inflationary pressures. No more than 5% of the net assets of the Fund, at the time of purchase, will be invested in CMS's. The Fund may use derivatives such as, but not

limited to, futures, options, swaps and forward contracts to gain exposure to securities and asset classes consistent with the objectives of the Fund, and to hedge portfolio exposure against losses from foreign currency exposure and changes in securities prices. The Fund may use derivatives to hedge portfolio exposure against losses from Canadian dollar exposure. For a description of these transactions and the strategies to be used by the Fund to minimize the risks associated with these transactions, please see the discussion under **Derivatives Risk** at page 21.

Short Selling Overvalued Securities

The Fund may engage in short selling of securities which it believes are overvalued based on its traditional fundamental research and analysis of such securities. These may include, in particular, securities of issuers with deteriorating fundamentals and weak balance sheets. The Fund may also take a short position in securities of a particular issuer while taking a long position in securities of another issuer in an attempt to take advantage of relative valuation differences between the two issuers. The Fund may make such a “pairs trade” when it believes that the fundamentals of the issuer in which the Fund holds a long position will become increasingly attractive as compared to those of the issuer in which the Fund holds a short position.

The Manager will manage the relative weightings of the long and short positions in the Fund’s portfolio to achieve its investment objective. The Fund’s net market exposure will depend on, among other things, the Manager’s view of domestic and international economic and market trends. The total market value of the Fund’s short positions at any time will not exceed the total market value of its long positions. As a result, the Fund will at no time have negative market exposure. For a description of these transactions and the risks associated therewith, please see the discussion under **Short Selling Risk** at page 25.

Interim Investments

While waiting to invest or disburse cash reserves in the Funds, we may buy short-term debt securities and money market instruments, or we may deposit cash in interest-bearing accounts with a bank or trust company.

Securities Lending, Repurchase and Reverse Repurchase Transactions

The Fund may enter into repurchase and reverse repurchase and securities lending agreements in order to earn additional income and manage its portfolio after giving investors 60 days prior written notice. For a description of these transactions and the strategies to be used by the Fund to minimize the risks associated with these transactions, please see the discussion under **Securities Lending, Repurchase and Reverse Repurchase Risk** at page 24.

What are the Risks of Investing in Chou Bond Fund?

In addition to the above risks which apply to the Funds generally, investors in Chou Bond Fund face the following additional risks. See page 20 and following for a full discussion of these risks:

- Below-Investment Grade Risk
- Credit Risk
- Concentration Risk
- Covered Call Option Risk
- Cyber Security Risk
- Derivatives Risk
- Distressed Securities Risk
- Extreme Markets Disruption Risk
- Foreign Currency Risk
- Foreign Market Risk
- General Market Risk
- Interest Rate Risk
- Issuer Risk
- Legal and Regulatory Risk
- Liquidity Risk

- Political Risk
- Portfolio Manager Risk
- Prepayment Risk
- Regional Risk
- Refinancing Risk
- Securities Lending, Repurchase and Reverse Repurchase Risk
- Series Risk
- Short Selling Risk
- Small Capitalization Risk

As of August 31, 2025, the Fund invested as much as 35.1% of its net assets in United States Treasury bills maturing on 09/09/2025. See page 21 for a description of the **Concentration Risk**.

Who Should Invest in Chou Bond Fund?

The Fund is suitable for investors seeking income while preserving invested capital with a medium tolerance for risk. The Fund is not appropriate for an investor with a short-term investment horizon.

Distribution Policy

The Fund's distribution policy is described on page 27.

CHOU MUTUAL FUNDS

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

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M2N 6Y8
416 214-0675**

Additional information about the Fund is, or will be, available in the following documents:

- the most recently filed Fund Facts;
- the most recently filed audited annual financial statements;
- any interim financial report filed after those audited annual financial statements;
- the statement of the financial position together with the accompanying report of the auditor, if the fund has not yet filed interim financial statements or annual financial statements;
- the most recently filed annual management report of fund performance; and
- any interim management report of fund performance filed after that annual management report of fund performance.

You can get a copy of these documents, at your request, and at no cost, by calling toll-free at 1-888-357-5070, or from your dealer or by e-mail at admin@choufunds.com.

These documents and other information about the Funds, such as information circulars and material contracts, are also available on the internet site at www.sedarplus.ca.