

**MANAGEMENT REPORT OF FUND  
PERFORMANCE**

**December 31 2025**

**CHOU RRSP FUND**

**CHOU ASSOCIATES MANAGEMENT INC.**

## **MANAGEMENT REPORT OF FUND PERFORMANCE**

### **December 31, 2025**

This annual management report of fund performance contains financial highlights but does not contain the complete financial statements of the Fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling Toll-free: 1-888-357-5070, by writing to us at 110 Sheppard Ave. East, Suite 301, Box 18, Toronto, Ontario M2N 6Y8 or by visiting our website at [www.choufunds.com](http://www.choufunds.com) and SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Unitholders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

This document may contain forward-looking statements relating to anticipated future events, results, circumstances, performance, or expectations that are not historical facts but instead represent our beliefs regarding future events. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking statements will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking statements as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking statements.

Actual results may differ materially from management expectations as projected in such forward-looking statements for a variety of reasons including, but not limited to, market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Fund may invest, and the risks detailed from time to time in the Fund's Simplified Prospectus. We caution that the foregoing list of factors is not exhaustive, and that when relying on forward-looking statements to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking statements. Due to the potential impact of these factors, the family of Chou Funds does not undertake, and specifically disclaims, any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable law.

Chou Associates Management Inc. ("the Manager") manages the overall business of the Fund, including the selection of the securities in the Fund's portfolio and promoting sales of the Fund's units. For the purposes of this document, the terms Chou Associates Management Inc. and "the Manager" are interchangeable. Full contact information for the Manager is located at the end of this report.

# CHOU RRSP FUND

---

## Management Discussion of Fund Performance

### Investment Objective and Strategies

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

The Fund's investment strategy follows a strong discipline with regard to the prices paid to acquire portfolio investments. The level of investment in a particular entity's securities is generally commensurate with the current price of the company's securities in relation to the Manager's assessment of such entity's intrinsic value as determined by various factors. This approach is designed to provide an extra margin of safety, which in turn, serves to reduce the Fund's overall portfolio risk.

### Risk

The risks of investing in the Fund are disclosed in the Fund's most recently filed Simplified Prospectus which can be found on the Fund's website at [www.choufunds.com](http://www.choufunds.com) and SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

During the period ended December 31, 2025, there were no material changes that affected the Fund's overall level of risk.

### Market Review

In 2025, the market, as measured by the S&P/TSX, rose 31.71%, supported mainly by gains in banking and mining companies. Higher prices for commodities, particularly gold and silver, boosted materials and precious metal stocks and drew investor interest. Financial shares also posted solid advances. While some areas weakened later in the year, the market overall finished higher and ranked among the better-performing major equity markets globally.

### Results of Operations

For the year ended December 31, 2025, the Fund increased by 7.6% for Series A units and 8.2% for Series F units, after fees and expenses, while the S&P/TSX Total Return Index increased by 31.7% in Canadian dollars. In U.S. dollars, the Fund increased by 12.7% for Series A units and 13.3% for Series F units, while the S&P/TSX Total Return Index increased by 38.1%.

The top contributors in 2025 were the equity holdings of Linamar Corporation, TWC Enterprises Limited, Imperial Oil Limited, Magna International Inc., Class 'A', and Trican Well Service Limited.

The major underperformers in the period were the equity holdings of Interfor Corporation, Methanex Corporation, EXCO Resources Inc. and Reitmans (Canada) Limited, Class 'A'.

# CHOU RRSP FUND

---

## **Portfolio Update**

During the year, the Fund sold its common equity holdings of Canfor Pulp Products Inc. and TVA Group Inc.

The Fund initiated investments in Athabasca Oil Corporation, Canfor Corporation, Ensign Energy Services Inc. and MTY Food Group Inc.

The Fund reduced the equity holding of EXCO Resources Inc. and increased the equity holdings of Methanex Corporation, Interfor Corporation, Morguard Corporation and Linamar Corporation.

The Fund had no covered call options in its portfolio as at December 31, 2025.

The Fund received \$8,218 in income from its securities lending program in 2025.

The Fund's net redemptions for the year ended December 31, 2025 were approximately \$1,757,844 for Series A units and net redemptions of approximately \$1,686,059 for Series F units. Included in net redemptions are subscriptions, redemptions and transfers in/out. Out of the net redemptions for Series F units, \$92,367 was switched from Series A units following the OEO trailer ban. The Fund's average month-end cash position for the period was 26.0% of the Fund's net assets.

## **Recent Developments**

With inflation easing, the Federal Reserve has kept interest rates unchanged, but markets remain sensitive to renewed tariff risks and ongoing trade tensions across Europe and North America. Geopolitical developments and changes in how capital is being allocated to AI are adding to uncertainty. At the same time, signals from global policy discussions suggest slower growth and shifting alliances ahead. Together, these factors could have a near-term impact on the Fund's portfolio performance.

## **Related Party Transactions**

The Manager manages the overall business of the Fund, including selection of the securities in the Fund's portfolio, and promoting the sale of the Fund's units. The Manager is also the trustee of the Fund. Investors receive units of a trust when they invest in the Fund. The Manager, as trustee, holds the actual title to the property in the Fund, including its cash and portfolio securities, on behalf of the Fund's investors.

The Manager and its officers and directors invest in units of the Fund from time to time in the normal course of business. As of December 31, 2025, they hold 5.8% of the Fund. All transactions with the Manager are carried out at the Fund's net asset value as at the transaction date.

During the year ended December 31, 2025, there were no transactions with related parties except in the capacities and instances set out above.

## CHOU RRSP FUND

### Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the year ended December 31, 2025 and for each of the past five years ended December 31.

#### The Fund's Net Assets per Unit<sup>1</sup> - Series A Units

	2025	2024	2023	2022	2021	2020
<b>Net Assets, beginning of year</b>	<b>\$ 34.85</b>	<b>\$ 35.66</b>	<b>\$ 36.23</b>	<b>\$ 39.70</b>	<b>\$ 25.87</b>	<b>\$ 22.79</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	\$ 0.97	\$ 0.96	\$ 0.79	\$ 0.32	\$ 1.52	\$ 0.20
Total expenses	\$ (0.80)	\$ (0.80)	\$ (0.79)	\$ (0.91)	\$ (0.88)	\$ (0.39)
Realized gains (losses) for the year	\$ (0.09)	\$ (7.48)	\$ 0.64	\$ 9.87	\$ (0.29)	\$ (5.08)
Unrealized gains (losses) for the year	\$ 2.58	\$ 6.79	\$ (1.06)	\$ (15.20)	\$ 15.02	\$ 7.32
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>\$ 2.66</b>	<b>\$ (0.53)</b>	<b>\$ (0.42)</b>	<b>\$ (5.92)</b>	<b>\$ 15.37</b>	<b>\$ 2.05</b>
<b>Distributions:</b>						
From income (excluding dividends)	\$ -	\$ -	\$ -	\$ -	\$ 0.44	\$ -
From dividends	\$ -	\$ 0.32	\$ -	\$ -	\$ 0.21	\$ -
From capital gains	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Return of capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Distributions<sup>3</sup></b>	<b>\$ -</b>	<b>\$ 0.32</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0.65</b>	<b>\$ -</b>
<b>Net Assets, end of year</b>	<b>\$ 37.51</b>	<b>\$ 34.85</b>	<b>\$ 35.66</b>	<b>\$ 36.23</b>	<b>\$ 39.70</b>	<b>\$ 25.87</b>
<b>Net Assets, end of year (USD)</b>	<b>\$ 27.33</b>	<b>\$ 24.24</b>	<b>\$ 26.91</b>	<b>\$ 26.76</b>	<b>\$ 31.38</b>	<b>\$ 20.32</b>

#### Ratios and Supplemental Data - Series A Units

	2025	2024	2023	2022	2021	2020
<b>Total Net Asset Value (000s)<sup>4</sup></b>	<b>\$ 15,558</b>	<b>\$ 16,150</b>	<b>\$ 18,173</b>	<b>\$ 20,165</b>	<b>\$ 42,648</b>	<b>\$ 34,909</b>
Number of Redeemable Units Outstanding	414,797	463,374	509,615	556,521	1,074,198	1,349,151
Management Expense Ratio <sup>5</sup>	2.18%	2.22%	2.08%	2.04%	1.70%	1.88%
Management Expense Ratio before waivers or absorption <sup>5</sup>	2.18%	2.22%	2.08%	2.04%	1.70%	1.88%
Trading Expense Ratio <sup>6</sup>	0.04%	0.07%	0.01%	0.47%	0.32%	0.11%
Portfolio Turnover Rate <sup>7</sup>	2.96%	14.59%	7.25%	33.81%	9.86%	0.05%
<b>Net Asset Value per Unit</b>	<b>\$ 37.51</b>	<b>\$ 34.85</b>	<b>\$ 35.66</b>	<b>\$ 36.23</b>	<b>\$ 39.70</b>	<b>\$ 25.87</b>

## CHOU RRSP FUND

### The Fund's Net Assets per Unit<sup>1</sup> - Series F Units

	2025	2024	2023	2022	2021	2020
<b>Net Assets, beginning of year</b>	<b>\$ 35.24</b>	<b>\$ 36.06</b>	<b>\$ 36.63</b>	<b>\$ 39.94</b>	<b>\$ 26.00</b>	<b>\$ 22.77</b>
<b>Increase (decrease) from operations:</b>						
Total revenue	\$ 0.98	\$ 0.98	\$ 0.80	\$ 0.36	\$ 1.64	\$ 0.20
Total expenses	\$ (0.61)	\$ (0.61)	\$ (0.58)	\$ (0.74)	\$ (0.71)	\$ (0.28)
Realized gains (losses) for the year	\$ (0.10)	\$ (7.48)	\$ 0.63	\$ 11.69	\$ (0.25)	\$ (5.12)
Unrealized gains (losses) for the year	\$ 2.64	\$ 6.78	\$ (1.16)	\$ (10.75)	\$ 14.37	\$ 6.44
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>\$ 2.91</b>	<b>\$ (0.33)</b>	<b>\$ (0.31)</b>	<b>\$ 0.56</b>	<b>\$ 15.05</b>	<b>\$ 1.24</b>
<b>Distributions:</b>						
From income (excluding dividends)	\$ -	\$ -	\$ 0.19	\$ -	\$ 0.56	\$ -
From dividends	\$ 0.14	\$ 0.53	\$ -	\$ -	\$ 0.27	\$ -
From capital gains	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Return of capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Distributions<sup>3</sup></b>	<b>\$ 0.14</b>	<b>\$ 0.53</b>	<b>\$ 0.19</b>	<b>\$ -</b>	<b>\$ 0.83</b>	<b>\$ -</b>
<b>Net Assets, end of year</b>	<b>\$ 38.00</b>	<b>\$ 35.24</b>	<b>\$ 36.06</b>	<b>\$ 36.63</b>	<b>\$ 39.94</b>	<b>\$ 26.00</b>
<b>Net Assets, end of year (USD)</b>	<b>\$ 27.69</b>	<b>\$ 24.52</b>	<b>\$ 27.21</b>	<b>\$ 27.05</b>	<b>\$ 31.57</b>	<b>\$ 20.43</b>

### Ratios and Supplemental Data - Series F Units

	2025	2024	2023	2022	2021	2020
<b>Total Net Asset Value (000s)<sup>4</sup></b>	<b>\$ 12,975</b>	<b>\$ 13,611</b>	<b>\$ 16,215</b>	<b>\$ 17,126</b>	<b>\$ 2,558</b>	<b>\$ 2,611</b>
Number of Redeemable Units Outstanding	341,475	386,268	449,653	467,565	64,041	100,434
Management Expense Ratio <sup>5</sup>	1.61%	1.65%	1.51%	1.58%	1.17%	1.31%
Management Expense Ratio before waivers or absorption <sup>5</sup>	1.61%	1.65%	1.51%	1.58%	1.17%	1.31%
Trading Expense Ratio <sup>6</sup>	0.04%	0.07%	0.01%	0.47%	0.32%	0.11%
Portfolio Turnover Rate <sup>7</sup>	2.96%	14.59%	7.25%	33.81%	9.86%	0.05%
<b>Net Asset Value per Unit</b>	<b>\$ 38.00</b>	<b>\$ 35.24</b>	<b>\$ 36.06</b>	<b>\$ 36.63</b>	<b>\$ 39.94</b>	<b>\$ 26.00</b>

(1) This information is derived from the Fund's audited annual financial statements.

(2) Net assets and distributions are based on the actual number of redeemable units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of redeemable units outstanding over the financial year.

(3) Distributions were reinvested in additional units of the Fund or paid in cash upon request.

(4) This information is provided as at the year end shown and is rounded to the nearest thousand.

(5) Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated year and is expressed as an annualized percentage of weekly average net asset value during the year. The Manager may, at its discretion, waive or absorb certain operating expenses. MER includes the waiver or absorption by the Manager of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by the Manager.

(6) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of weekly average net asset value during the year.

(7) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the financial year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

# CHOU RRSP FUND

---

## Management Fees

The Manager manages the Fund. The Manager is entitled to an investment management fee calculated daily as a percentage of the market value of the net assets equal to 1.5% per annum for Series A units and 1.0% per annum for Series F units, payable monthly. The Manager pays trailer fees of 50 basis points per year to dealers out of management fees for Series A units. There is no trailer fee paid out for Series F units.

## Past Performance

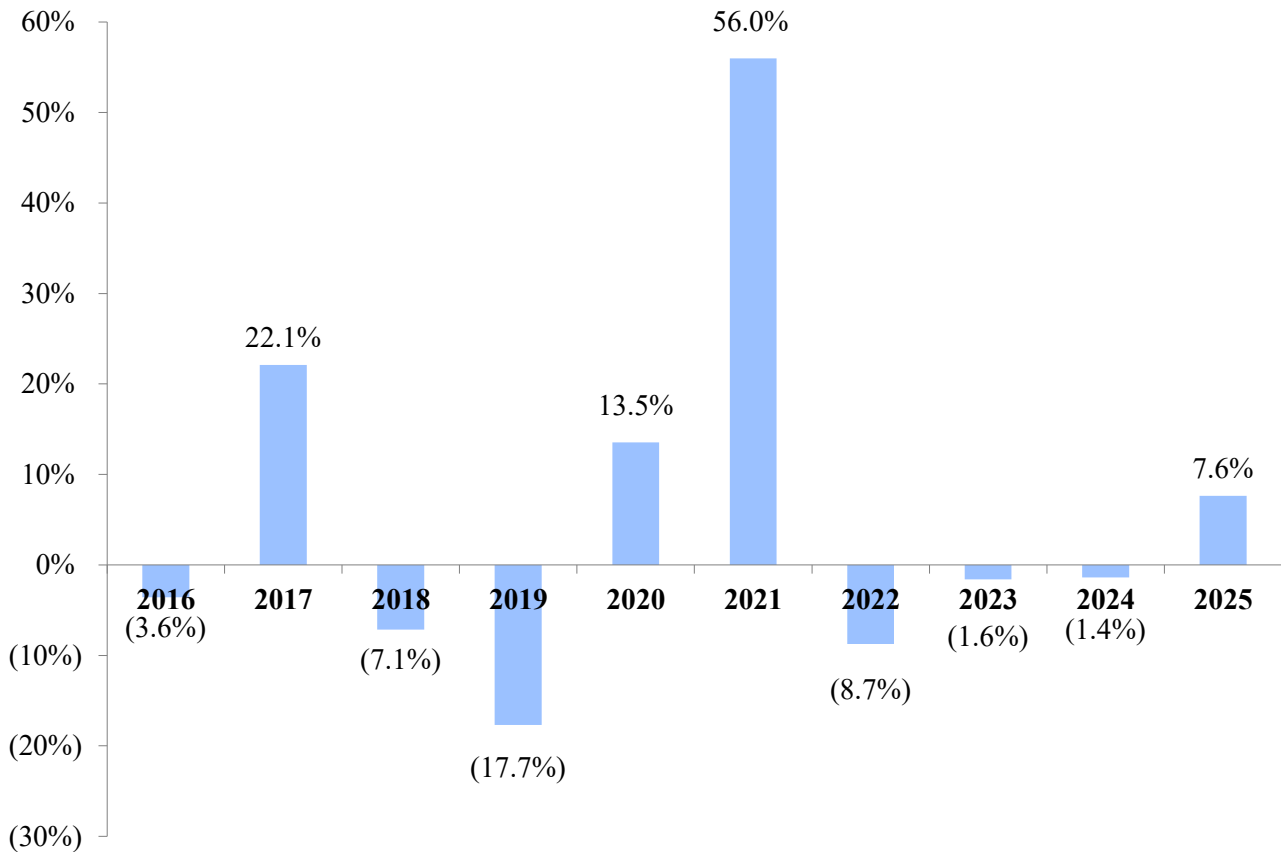
### General

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

### Year-by-Year Returns

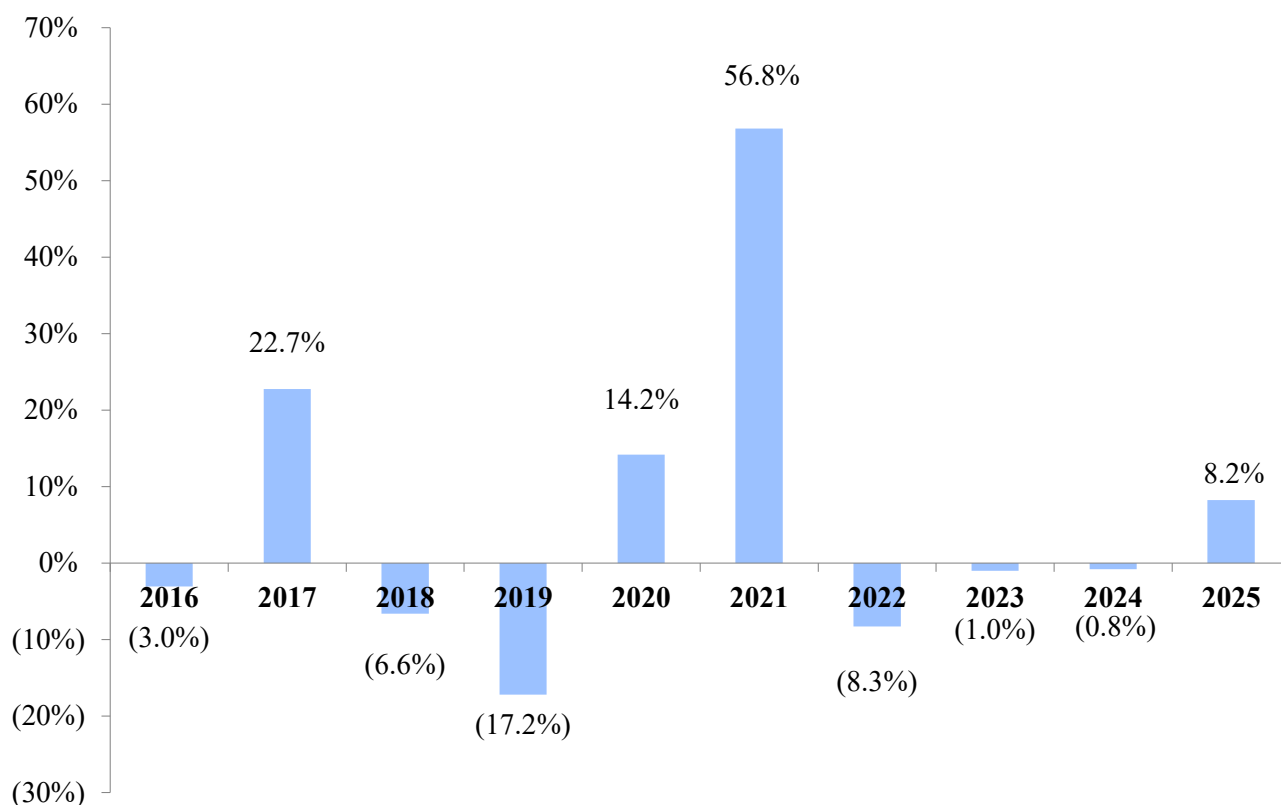
The following bar charts show the annual performance for each of the Series A and Series F units of the Fund for each of the years shown. Each chart shows, in percentage terms, how an investment on January 1 would have increased or decreased by December 31 for each of the years, and how the performance of the Fund varied from year to year.

### Series A



## CHOU RRSP FUND

### Series F



### Annual Compound Returns

The following tables<sup>(1)</sup> show the annual compound total return for each of the Series A and Series F units of the Fund. The tables outline the Fund's past performance for the one-, three-, five-, ten-, and fifteen-year periods ended on December 31, 2025. Also shown for the same periods are the respective historical annual compound total returns of the S&P/TSX (the "Index"). The Index is the headline index for the Canadian equity market. The Toronto Stock Exchange serves as the distributor of this index. The benchmark Index is calculated without the deduction of management fees and fund expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses.

### Series A

December 31, 2025	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Past 15 Years
Chou RRSP Fund	7.62%	1.47%	8.26%	4.27%	4.55%
S&P/TSX (\$CAN)	31.71%	21.42%	16.14%	12.68%	9.11%

### Series F

December 31, 2025	Past Year	Past 3 Years	Past 5 Years	Past 10 Years	Past 15 Years
Chou RRSP Fund	8.23%	2.04%	8.85%	4.84%	5.13%
S&P/TSX (\$CAN)	31.71%	21.42%	16.14%	12.68%	9.11%

<sup>(1)</sup> Tables assume the reinvestment of all distributions.

# CHOU RRSP FUND

---

## Summary of Investment Portfolio

The following tables provide a summary of the Fund's portfolio as at December 31, 2025.

<b><u>Sector Mix</u></b>	<b><u>% of Fund's Net Assets</u></b>
Consumer Discretionary	38.0%
Energy	23.0%
Materials	12.4%
Financials	5.5%
Real Estate	3.5%
Corporate	0.0%
Net Cash & Equivalents	17.6%
<b>Total Portfolio</b>	<b>100.0%</b>

<b><u>Total Issuers</u></b>	<b><u>% of Fund's Net Assets</u></b>
<i>(excluding cash equivalents)</i>	

<b>Equities</b>	
TWC Enterprises Limited	17.3%
EXCO Resources Inc.	9.7%
Linamar Corporation	7.8%
Onex Corporation	5.5%
Interfor Corporation	5.0%
Reitmans (Canada) Limited	4.4%
Ensign Energy Services Inc.	4.0%
Parex Resources Inc.	3.9%
Methanex Corporation	3.8%
Canfor Corporation	3.6%
Morguard Corporation	3.5%
Reitmans (Canada) Limited, Class 'A'	3.3%
MTY Food Group Inc.	2.7%
Magna International Inc., Class 'A'	2.5%
Trican Well Service Limited	2.1%
Imperial Oil Limited	2.1%
Athabasca Oil Corporation	1.2%
<b>Total Equities</b>	<b>82.4%</b>

<b>Fixed Income</b>	
Fortress Global Enterprises Inc., 9.750%, December 31, 2026, Convertible Bonds, Callable	0.0%
<b>Total Fixed Income</b>	<b>0.0%</b>
<b>Total Holdings</b>	<b>82.4%</b>

The summary of the Fund's investment portfolio may change due to ongoing portfolio transactions of the Fund. The next quarterly update as at March 31, 2026 will be in the Quarterly Portfolio Disclosure and will be posted on our website [www.choufunds.com](http://www.choufunds.com) on or before May 31, 2026.

**Chou Associates Management Inc.**

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

Tel: 416-214-0675

Toll-free: 1-888-357-5070

Fax: 416-214-1733

Web: [www.choufunds.com](http://www.choufunds.com)

E-mail: [admin@choufunds.com](mailto:admin@choufunds.com)

**Recordkeeping and Custodian**

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

Tel: 416-643-5540

Toll-free: 1-866-379-3266

Fax: 1-855-884-0493

**Auditors**

MNP LLP  
1 Adelaide St E Suite 1900  
Toronto, Ontario  
M5C 2V9

**Legal Counsel**

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