

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

**SEMI-ANNUAL REPORT 2025**

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

### CHOU ASSOCIATES FUND

Period ended	Total value of shares
Dec.31, 1986	\$10,000
Dec.31, 1987	10,502
Dec.31, 1988	12,001
Dec.31, 1989	14,244
Dec.31, 1990	12,722
Dec.31, 1991	15,681
Dec.31, 1992	18,817
Dec.31, 1993	21,863
Dec.31, 1994	21,300
Dec.31, 1995	27,904
Dec.31, 1996	34,235
Dec.31, 1997	48,035
Dec.31, 1998	59,187
Dec.31, 1999	53,489
Dec.31, 2000	57,967
Dec.31, 2001	70,397
Dec.31, 2002	91,504
Dec.31, 2003	94,773
Dec.31, 2004	103,319
Dec.31, 2005	117,462
Dec.31, 2006	139,511
Dec.31, 2007	125,258
Dec.31, 2008	88,553
Dec.31, 2009	114,854
Dec.31, 2010	136,916
Dec.31, 2011	113,776
Dec.31, 2012	144,446
Dec.31, 2013	204,142
Dec.31, 2014	228,754
Dec.31, 2015	212,854
Dec.31, 2016	206,905
Dec.31, 2017	214,775
Dec.31, 2018	197,699
Dec.31, 2019	200,244
Dec.31, 2020	181,288
Dec.31, 2021	276,407
Dec.31, 2022	302,056
Dec.31, 2023	304,090
Dec.31, 2024	370,398
<b>Jun.30, 2025</b>	<b><u>\$368,657</u></b>

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

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

## PERFORMANCE OF THE FUNDS

Six months ended June 30, 2025 (unaudited)

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### **Chou Associates Fund**

Series A \$CAN	(0.5%)
Series A \$US	5.1%

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Series F \$CAN	(0.2%)
Series F \$US	5.4%

### **Chou Asia Fund**

Series A \$CAN	3.6%
Series A \$US	9.3%

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Series F \$CAN	3.8%
Series F \$US	9.6%

### **Chou Europe Fund**

Series A \$CAN	1.3%
Series A \$US	6.9%

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Series F \$CAN	1.3%
Series F \$US	6.9%

### **Chou Bond Fund**

Series A \$CAN	0.3%
Series A \$US	5.9%

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Series F \$CAN	0.4%
Series F \$US	6.0%

### **Chou RRSP Fund**

Series A \$CAN	3.1%
Series A \$US	8.8%

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Series F \$CAN	3.4%
Series F \$US	9.1%

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## **CHOU ASSOCIATES FUND** (unaudited)

August 15, 2025

Dear Unitholders of Chou Associates Fund,

The net asset value per unit (“NAVPU”) of a Series A unit of Chou Associates Fund at June 30, 2025 was \$189.22 compared to \$190.12 at December 31, 2024, a decrease of 0.5%; during the same period, the S&P 500 Total Return Index increased by 0.6% in Canadian dollars. In U.S. dollars, a Series A unit of Chou Associates Fund increased by 5.1% while the S&P 500 Total Return Index increased by 6.2%.

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

<b>June 30, 2025 (Series A)</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>	<b>20 Years</b>
Chou Associates Fund (\$CAN)	10.1%	12.1%	21.1%	5.2%	7.8%	6.2%
S&P 500 (\$CAN)	14.7%	22.0%	16.6%	14.6%	16.8%	11.3%
Chou Associates Fund (\$US)	10.6%	10.0%	21.0%	4.2%	6.0%	5.6%
S&P 500 (\$US)	15.1%	19.7%	16.6%	13.6%	14.8%	10.7%

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

### **Factors Influencing the First Six-Month Results**

The top gainers in the period were the warrants of Hertz Global Holdings Inc. and the equity holdings of Citigroup Inc., Wells Fargo & Company and Berkshire Hathaway Inc.

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

In March 2025, Occidental Petroleum temporarily reduced the exercise price from \$22.00 to \$21.30 per warrant as part of a normal tender offer for earlier conversion. We took up the offer and converted the warrants to equivalent shares of Occidental Petroleum.

The Fund initiated investments in the equity holding of General Motors Company.

## DOES VALUE-INVESTING WORK OVER THE LONG TERM?

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

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

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

### Fundata fund rankings by category (as of June 30, 2025)

Fund category and rank	Performance period (number of years)							
	3	5	10	15	20	25	30	35
Global equity category:								
Chou Associates Fund (Series A), rank	1,580	5	755	384	137	3	1	1
Number of funds in this category	1,814	1,495	797	426	183	62	24	15
Canadian-focused small- and mid-cap equity:								
Chou RRSP Fund (Series A), rank	48	9	33	22	2	1	1	1
Number of funds in this category	48	48	33	22	< 10	< 10	< 10	< 10
Fund category and rank	Performance period (number of years)							
	3	5	10	15				
Asia-Pacific equity (excluding Japan):								
Chou Asia Fund (Series A), rank	1	1	1	3				
Number of funds in this category	36	36	34	13				
Global fixed income, balanced:								
Chou Bond Fund (Series A), rank	640	2	2	5				
Chou Bond Fund (Series F), rank	606	1	1	2				
Number of funds in this category	900	781	418	146				

Source: All data courtesy of Fundata.

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

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

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

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

## **Portfolio Commentary**

### **The Common Theme In New Purchases**

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

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

### **TACO Trump**

It is amusing to experience how Trump is negotiating the trade war by unilaterally announcing high tariff rates on different countries. It is supposed to get attention, but when countries retaliate, and the stock markets tank or interest rates rise, he usually backs down, and the stock market recovers. He has a well-deserved nickname: TACO Trump, which means TRUMP ALWAYS CHICKENS OUT.

With each new announcement and threat by Trump regarding tariffs, I hoped the stock market would dip for a few months to reach undervalued levels. However, that hasn't occurred so far. Since we hold a substantial amount of cash (21.5% of assets) ready to invest, the ideal scenario for us is for stocks to become more affordable. Currently, the stock market remains high, and there are few attractive bargains.

We have been monitoring companies in North America across various industries and the potential effects of tariffs on profitability. Some companies, instead of passing the tariffs' costs onto consumers, absorbed the costs themselves, resulting in losses during the first half of 2025. This

cannot continue over the long term as they would go bankrupt. I would prefer that they pass the costs onto consumers.

In time, imposing high tariff rates will result in higher prices for consumers. In a rudimentary way, this is how tariffs are implemented.

- 1) A business or individual from the U.S imports goods from another country.
- 2) At the U.S. border, customs officials assess a tariff rate based on the goods' value, quantity, or type.
- 3) The U.S. importer (not the exporter) pays the tariff to the U.S. government.
- 4) The U.S. importer raises prices to cover the tariff costs, making goods more expensive for consumers. Sometimes, the U.S. importer absorbs the tariff costs, incurring losses as a result.

Eventually, consumers will bear the cost, which will result in higher prices, thus creating inflationary pressures.

### **EXCO Resources Inc. (“EXCO”)**

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

Since it is a private company, I am not at liberty to divulge the latest financial statements, but what I can tell you is that my calculation of its PV-10 value was more than US\$2.0 billion (roughly US\$44 per share) based on the New York Mercantile Exchange (NYMEX) forward pricing as of December 31, 2024, and the net proved reserves were 3.0 trillion cubic feet equivalent. The number of outstanding shares as of December 31, 2024, was 46,441,708. We estimate its EBITDA for the year ending 2025 will be between US\$200 million and US\$250 million. As a comparison, in 2018, the PV-10 value was US\$750 million.

As of June 30, 2025, the share of EXCO was valued at US\$22.13, which represents the mid-range estimate provided by Kroll, an independent third-party valuation firm.

### **Caution to the Investors**

Investors should be advised that we run a highly focused portfolio, frequently just three to five securities may comprise close to 50% of the assets of the Fund. In addition, the Fund has securities that are non-U.S. and could be subjected to geopolitical risks, which may trump or at least negatively influence the financial performance of the company. Also, we may enter into some derivative contracts, such as credit default swaps when we feel that the market conditions are right to use those instruments. Because of any or all of these factors, the net asset value of the Fund can be from time to time more volatile than at other times. However, we are not bothered by this



volatility because our focus has always been, and continues to be, on how inexpensive we believe the Fund's portfolio holdings are relative to what we believe to be their intrinsic value.

As at June 30, 2025, Fairfax Financial Holdings ("Fairfax") held 18.1% of the total outstanding units of the Fund. If Fairfax redeems its units, a significant portion of the Fund's investments may have to be liquidated in order to execute this transaction. The timing of such a liquidation may not be appropriate and all investors may suffer a proportionate loss as a result of such a liquidation. Fairfax agreed in 2002 that it would not exercise any voting rights attached to units of the 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 to date.

### **Other Matters**

FOREIGN CURRENCY CONTRACTS: None existed at June 30, 2025.

CREDIT DEFAULT SWAPS: None existed at June 30, 2025.

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

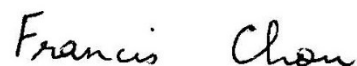
REDEMPTION FEE: We have a redemption fee of 2% if unitholders redeem their units in less than 3 months. None of this fee goes to the Fund Manager. It is put back into the Fund for the benefit of the remaining unitholders.

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

As of August 15, 2025, the NAVPU of a Series A unit of the Fund was \$193.05 and the cash position was approximately 21.5% of net assets. The Fund is up 1.5% from the beginning of the year. In U.S. dollars, it is up 5.7%.

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

Yours truly,

A handwritten signature in black ink that reads "Francis Chou". The signature is written in a cursive, flowing style.

Francis Chou  
Fund Manager

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## Management's Responsibility for Financial Reporting

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To the unitholders of the Chou Funds:

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

Management has applied appropriate processes to ensure that the statements contain relevant and reliable financial information. The financial statements have been produced in accordance with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include certain amounts based on estimates and judgements. The material accounting policies that management believes are appropriate for the Chou Funds are consistent with those described in Note 2 of the Funds' audited financial statements for the year ended December 31, 2024.

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

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

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

*Francis Chou*

Francis Chou  
Chou Associates Management Inc.  
August 15, 2025

# CHOU ASSOCIATES FUND

## Interim Condensed Statements of Financial Position

June 30, 2025 and December 31, 2024 (Unaudited)

	June 30, 2025	December 31, 2024
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	37,747,329	58,972,666
Investments (note 8)	133,711,236	113,519,103
Derivatives (note 8)	4,957	2,696,009
Receivable for redeemable units subscribed	1,372	500
Dividends receivable	78,981	70,567
<b>Total assets</b>	<b>171,543,875</b>	<b>175,258,845</b>
<b>Liabilities</b>		
Current liabilities		
Accrued expenses	249,754	264,232
Payable for units redeemed	31,276	76,590
<b>Total liabilities</b>	<b>281,030</b>	<b>340,822</b>
<b>Net assets attributable to unitholders of redeemable units</b>	<b>171,262,845</b>	<b>174,918,023</b>
Net assets attributable to unitholders of redeemable units:		
Series A	117,588,474	120,456,770
Series F	53,674,371	54,461,253
	<b>171,262,845</b>	<b>174,918,023</b>
Number of redeemable units outstanding (note 4):		
Series A	621,433	633,599
Series F	283,054	286,656
Net assets attributable to unitholders of redeemable units per unit:		
Canadian dollars:		
Series A	189.22	190.12
Series F	189.63	189.99
U.S. dollars:		
Series A	138.95	132.26
Series F	139.25	132.17

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

*Francis Chou*

See accompanying notes to the interim condensed financial statements.

# CHOU ASSOCIATES FUND

## Interim Condensed Statements of Comprehensive Income

Six months ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
	\$	\$
<b>Income:</b>		
Dividends	1,020,137	391,115
Securities lending income (note 7)	28,149	184
Interest for distribution purposes and other	877,812	167,960
Foreign currency (loss) gain on cash and other net asset	(11,409)	1,531,960
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:		
Realized (loss) gain on disposal of investments	(1,130,353)	4,683,757
Realized gain (loss) on derivatives	178,376	(3,458,511)
Change in unrealized appreciation on investments	317,970	12,734,026
Change in unrealized appreciation on derivatives	20,881	1,092,456
	1,301,563	17,142,947
<b>Expenses:</b>		
Management fees (note 5(a))	1,360,159	1,257,207
Custodial fees	140,308	128,216
Audit fees	112,839	87,085
Filing fees	25,900	72,721
Independent review committee fees	-	2,111
FundSERV fees	12,408	12,365
Legal fees	9,050	9,100
Transaction costs (note 6)	73,827	54,670
Foreign withholding taxes	153,796	58,784
Other	1,096	5,399
	1,889,383	1,687,658
(Decrease) increase in net assets attributable to unitholders of redeemable <sup>1</sup>	(587,820)	15,455,289
(Decrease) increase in net assets attributable to unitholders of redeemable units per series:		
Series A	(523,654)	10,722,055
Series F	(64,166)	4,733,234
	(587,820)	15,455,289
Weighted average number of redeemable units outstanding for the period for the Series:		
Series A	627,082	679,593
Series F	285,063	290,939
(Decrease) increase in net assets attributable to unitholders of redeemable units per series:		
Series A	(0.84)	15.78
Series F	(0.23)	16.27

See accompanying notes to the interim condensed financial statements.

# CHOU ASSOCIATES FUND

Interim Condensed Statements of Changes in Net Assets Attributable to Unitholders of Redeemable Units  
Six months ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
	\$	\$
<b>Series A</b>		
Net assets attributable to unitholders of redeemable units, beginning of period	120,456,770	107,940,581
Decrease (increase) in net assets attributable to unitholders of redeemable units	(523,654)	10,722,055
Proceeds from issue of redeemable units	297,613	55,532
Payments on redemption of redeemable units	(2,642,255)	(7,599,944)
Net assets attributable to unitholders of redeemable units, end of period	117,588,474	111,118,224
<b>Series F</b>		
Net assets attributable to unitholders of redeemable units, beginning of period	54,461,253	45,676,739
Decrease (increase) in net assets attributable to unitholders of redeemable units	(64,166)	4,733,234
Proceeds from issue of redeemable units	1,801,008	1,313,828
Payments on redemption of redeemable units	(2,523,724)	(2,580,946)
Net assets attributable to unitholders of redeemable units, end of period	53,674,371	49,142,855
Total net assets attributable to unitholders of redeemable units, end of period	171,262,845	160,261,079

See accompanying notes to the interim condensed financial statements.

# CHOU ASSOCIATES FUND

## Interim Condensed Statements of Cash Flows

Six months ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
	\$	\$
<b>Cash flows from operating activities:</b>		
(Decrease) increase in net assets attributable to unitholders of redeemable units	(587,820)	15,455,289
Adjustments for:		
Foreign currency loss (gain) loss on cash and other net assets	11,409	(1,531,960)
Net realized loss (gain) on disposal of investments and derivatives	951,977	(1,225,246)
Change in unrealized (appreciation) on investments and derivatives	(338,851)	(13,826,482)
Change in non-cash operating working capital:		
Increase in dividends receivable	(8,414)	(2,876)
Decrease in accrued expenses	(14,478)	(44,895)
Purchase of investments	(25,994,808)	(2,259,806)
Proceeds from sales of investments	7,880,602	18,675,588
Net cash (used in) generated from operating activities	(18,100,383)	15,239,612
<b>Cash flows from financing activities:</b>		
Proceeds from redeemable units issued	2,097,748	1,368,988
Amount paid on redemption of redeemable units	(5,211,293)	(10,211,856)
Net cash used in financing activities	(3,113,545)	(8,842,868)
Foreign currency (loss) gain on cash and other net assets	(11,409)	1,531,960
(Decrease) increase in cash and cash equivalents	(21,225,337)	7,928,704
Cash and cash equivalents, beginning of period	58,972,666	44,087,178
<b>Cash and cash equivalents, end of period</b>	<b>37,747,329</b>	<b>52,015,882</b>
<b>Supplemental information:</b>		
Interest received	877,812	167,960
Dividends received, net of withholding tax	857,927	329,455
Security lending income received	28,149	184

See accompanying notes to the interim condensed financial statements.

# CHOU ASSOCIATES FUND

## Interim Condensed Schedule of Investments

June 30, 2025 (Unaudited)

	Number of securities	Cost	Fair value
	#	\$	\$
<b>Equities*</b>			
Ally Financial Inc.	155,686	5,289,052	8,257,611
Berkshire Hathaway Inc.	61	6,433,433	60,539,047
Citigroup Inc.	57,695	1,457,677	6,687,552
EXCO Resources Inc.	781,244	19,296,711	23,543,200
General Motors Company	30,000	1,976,330	2,010,352
Occidental Petroleum Corporation	117,000	7,817,659	6,693,233
Pathward Financial Inc.	25,017	1,677,840	2,695,373
Sirius XM Holdings Inc.	327,589	10,500,211	10,246,786
Synchrony Financial	120,000	5,457,935	10,905,983
Wells Fargo & Company	19,542	1,042,763	2,132,099
		60,949,611	133,711,236
<b>Derivatives</b>			
Hertz Global Holdings Inc., warrants, June 30, 2051	1,000	11,773	4,957
Total investments		60,961,384	133,716,193
Transaction costs		(126,934)	-
Portfolio total		60,834,450	133,716,193

\* Common shares unless indicated otherwise

See accompanying notes to the interim condensed financial statements.

# CHOU ASSOCIATES FUND

## Discussion of Financial Risk Management

Six months ended June 30, 2025 and 2024 (Unaudited)

### Investment objective and strategies:

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

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

### Financial risk management:

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

#### (a) Other price risk:

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Approximately 64.33% (December 31, 2024 – 52.91%) of the Fund's net assets held at June 30, 2025 were publicly traded equities. If equity prices on the exchange had increased or decreased by 5% as at June 30, 2025, the net assets of the Fund would have increased or decreased by approximately \$5,508,650 or 3.22% (December 31, 2024 – \$4,626,216 or 2.65%) of the net assets, all other factors remaining constant.

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

#### (b) Foreign currency risk:

Currencies to which the Fund had exposure as at June 30, 2025 and December 31, 2024 expressed in CAD are as follows:

<b>June 30, 2025</b>	<b>Investments and derivatives</b>	<b>Cash and cash equivalents</b>	<b>Other assets and liabilities</b>	<b>Total</b>	<b>Percentage of net asset value</b>
	\$	\$	\$	\$	%
United States dollar (USD)	133,716,193	37,236,050	78,981	171,031,224	99.9

<b>December 31, 2024</b>	<b>Investments and derivatives</b>	<b>Cash and cash equivalents</b>	<b>Other assets and liabilities</b>	<b>Total</b>	<b>Percentage of net asset value</b>
	\$	\$	\$	\$	%
United States dollar (USD)	116,215,112	58,248,629	70,567	174,534,308	99.8



# CHOU ASSOCIATES FUND

## Discussion of Financial Risk Management

Six months ended June 30, 2025 and 2024 (Unaudited)

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### Financial risk management (continued):

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

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

As at June 30, 2025, if the Canadian dollar had strengthened or weakened by 1% in relation to all currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$1,710,312 (December 31, 2024 - \$1,745,343).

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

## **CHOU ASIA FUND** (unaudited)

August 15, 2025

Dear Unitholders of Chou Asia Fund

The net asset value per unit (“NAVPU”) of a Series A unit of Chou Asia Fund at June 30, 2025 was \$29.48 compared to \$28.46 at December 31, 2024, an increase of 3.6%; during the same period, the MSCI AC (Morgan Stanley Capital International All Country) Asia Pacific Total Return Index in Canadian dollars increased by 7.6%. In U.S. dollars, a Series A unit of Chou Asia Fund was up 9.3% while the MSCI AC Asia Pacific Total Return Index increased by 13.6%.

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

<b>June 30, 2025 (Series A)</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
Chou Asia Fund (\$CAN)	9.8%	14.5%	16.9%	8.7%	8.3%
MSCI AC Asia Pacific TR (\$CAN)	15.5%	14.1%	8.2%	7.3%	8.9%
Chou Asia Fund (\$US)	10.3%	12.4%	16.8%	7.7%	6.5%
MSCI AC Asia Pacific TR (\$US)	15.9%	12.0%	8.2%	6.3%	7.1%

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

### **Factors Influencing the First Six-Month Results**

The top gainers in the first half of 2025 were the equity holdings of China Yuchai International Limited, Alibaba Group Holding Limited, AJIS CO LTD, Tencent Holdings Limited, and Postal Savings Bank of China Co Ltd.

The major underperformers in the same period were the equity holdings of BYD Electronic (International) Company Limited and Capital A Berhad.

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

During the period, the Fund reduced the equity holding of China Yuchai International Limited.

Shriram Finance Limited underwent a stock split on January 10, 2025, with a ratio of 5:1.

As part of the reverse merger plan, IDFC Limited’s shareholders received 155 shares of IDFC First Bank for every 100 shares in IDFC Limited.

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

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

Fund category and rank	Performance period (number of years)			
	3	5	10	15
<b>Asia-Pacific equity (excluding Japan):</b>				
Chou Asia Fund (Series A), rank	1	1	1	3
Number of funds in this category	36	36	34	13

Source: All data courtesy of Fundata.

### **Portfolio Commentary**

#### **China**

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

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

Despite our misgivings, we have done quite well with our Chinese stocks. One example is BYD Electronics. Our purchase price was as low as \$HKD 1.58; at June-end, it was \$HKD 31.80.

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

## **TACO Trump**

It is amusing to experience how Trump is negotiating the trade war by unilaterally announcing high tariff rates on different countries. It is supposed to get attention, but when countries retaliate, and the stock markets tank or interest rates rise, he usually backs down, and the stock market recovers. He has a well-deserved nickname: TACO Trump, which means TRUMP ALWAYS CHICKENS OUT.

With each new announcement and threat by Trump regarding tariffs, I hoped the stock market would dip for a few months to reach undervalued levels. However, that hasn't occurred so far. Since we hold a substantial amount of cash (30.5% of assets) ready to invest, the ideal scenario for us is for stocks to become more affordable. Currently, the stock market remains high, and there are few attractive bargains.

We have been monitoring companies in North America across various industries and the potential effects of tariffs on profitability. Some companies, instead of passing the tariffs' costs onto consumers, absorbed the costs themselves, resulting in losses during the first half of 2025. This cannot continue over the long term as they would go bankrupt. I would prefer that they pass the costs onto consumers.

In time, imposing high tariff rates will result in higher prices for consumers. In a rudimentary way, this is how tariffs are implemented.

- 1) A business or individual from the U.S imports goods from another country.
- 2) At the U.S. border, customs officials assess a tariff rate based on the goods' value, quantity, or type.
- 3) The U.S. importer (not the exporter) pays the tariff to the U.S. government.
- 4) The U.S. importer raises prices to cover the tariff costs, making goods more expensive for consumers. Sometimes, the U.S. importer absorbs the tariff costs, incurring losses as a result.

Eventually, consumers will bear the cost, which will result in higher prices, thus creating inflationary pressures.

## **Caution to the Investors**

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

**Other Matters**

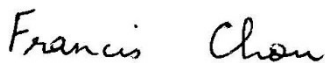
REDEMPTION FEE: We have a redemption fee of 2% if unitholders redeem their units in less than 3 months. None of this fee goes to the Fund Manager. It is put back into the Fund for the benefit of the remaining unitholders.

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

As of August 15, 2025, the NAVPU of a Series A unit of the Fund was \$31.03 and the cash position was approximately 30.5% of net assets. The Fund is up 9.0% from the beginning of the year. In U.S. dollars, it is up 13.4%.

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

Yours truly,

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

Francis Chou  
Fund Manager

# CHOU ASIA FUND

## Interim Condensed Statements of Financial Position

June 30, 2025 and December 31, 2024 (Unaudited)

	June 30, 2025	December 31, 2024
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	5,178,166	4,572,669
Investments (note 8)	11,265,010	11,992,747
Interest receivable	81	64
Dividends receivable	124,524	45,652
<b>Total assets</b>	<b>16,567,781</b>	<b>16,611,132</b>
<b>Liabilities</b>		
Current liabilities		
Accrued expenses	168,341	153,382
Payable for units redeemed	9,275	-
Distributions payable	-	4,822
<b>Total liabilities</b>	<b>177,616</b>	<b>158,204</b>
<b>Net assets attributable to unitholders of redeemable units</b>	<b>16,390,165</b>	<b>16,452,928</b>
Net assets attributable to unitholders of redeemable units:		
Series A	6,931,019	7,067,131
Series F	9,459,146	9,385,797
	<b>16,390,165</b>	<b>16,452,928</b>
Number of redeemable units outstanding (note 4):		
Series A	235,135	248,278
Series F	312,114	321,608
Net assets attributable to unitholders of redeemable units per unit:		
Canadian dollars:		
Series A	29.48	28.46
Series F	30.31	29.18
U.S. dollars:		
Series A	21.65	19.80
Series F	22.26	20.30

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

*Francis Chou*

*[Signature]*

See accompanying notes to the interim condensed financial statements.

# CHOU ASIA FUND

## Interim Condensed Statements of Comprehensive Income

Six months ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
	\$	\$
<b>Income:</b>		
Interest for distribution purposes and other	85,903	79,835
Dividends	144,556	134,827
Securities lending income (note 7)	1,002	62
Foreign currency (loss) gain on cash and other net assets	(20,589)	116,816
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:		
Realized gain (loss) on disposal of investments	1,582,762	(5,588)
Change in unrealized (depreciation) appreciation on investments	(996,749)	1,425,248
	796,885	1,751,200
<b>Expenses:</b>		
Management fees (note 5(a))	117,405	109,748
Custodial fees	30,131	30,298
Audit fees	11,547	10,250
Filing fees	2,400	7,462
Independent review committee fees	-	224
FundSERV fees	1,140	1,173
Transaction costs (note 6)	3,707	-
Foreign withholding taxes	7,385	5,226
Other	102	484
	173,817	164,865
Increase in net assets attributable to unitholders of redeemable units	623,068	1,586,335
Increase in net assets attributable to unitholders of redeemable units per Series:		
Series A	272,450	690,290
Series F	350,618	896,045
	623,068	1,586,335
Weighted average number of redeemable units outstanding for the period for the Series:		
Series A	239,883	285,537
Series F	315,777	333,964
Increase in net assets attributable to unitholders of redeemable units per series:		
Series A	1.14	2.42
Series F	1.11	2.68

See accompanying notes to the interim condensed financial statements.

# CHOU ASIA FUND

**Interim Condensed Statements of Changes in Net Assets Attributable to Unitholders of Redeemable Units**  
Six months ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
	\$	\$
<b>Series A</b>		
Net assets attributable to unitholders of redeemable units, beginning of period	7,067,131	7,408,382
Increase in net assets attributable to unitholders of redeemable units	272,450	690,290
Proceeds from issue of redeemable units	45,000	33,491
Payments on redemption of redeemable units	(453,562)	(1,198,471)
Net assets attributable to unitholders of redeemable units, end of period	6,931,019	6,933,692
<b>Series F</b>		
Net assets attributable to unitholders of redeemable units, beginning of period	9,385,797	8,577,252
Increase in net assets attributable to unitholders of redeemable units	350,618	896,045
Proceeds from issue of redeemable units	278,059	77,068
Payments on redemption of redeemable units	(555,328)	(582,397)
Net assets attributable to unitholders of redeemable units, end of period	9,459,146	8,967,968
Total net assets attributable to unitholders of redeemable units, end of period	16,390,165	15,901,660

See accompanying notes to the interim condensed financial statements.



# CHOU ASIA FUND

## Interim Condensed Statements of Cash Flows

Six months ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
	\$	\$
<b>Cash flows from operating activities:</b>		
Increase in net assets attributable to unitholders of redeemable units	623,068	1,586,335
Adjustments for:		
Foreign currency loss (gain) on cash and other net assets	20,589	(116,816)
Net realized (gain) loss on disposal of investments	(1,582,762)	5,588
Change in depreciation (appreciation) on investments	996,749	(1,425,248)
Change in non-cash operating working capital:		
(Increase) decrease in interest receivable	(17)	3,783
Increase in dividends receivable	(78,872)	(68,306)
Increase in accrued expenses	14,959	12,248
Purchase of investments	(1,854,236)	-
Proceeds from sales of investments	3,167,986	522,875
Net cash generated from operating activities	1,307,464	520,459
<b>Cash flows from financing activities:</b>		
Reinvested distributions	(4,822)	-
Proceeds from redeemable units issued	323,059	110,559
Amount paid on redemption of redeemable units	(999,615)	(1,780,868)
Net cash used in financing activities	(681,378)	(1,670,309)
Foreign currency (loss) gain on cash and other net assets	(20,589)	116,816
Increase (decrease) in cash and cash equivalents	605,497	(1,033,034)
Cash and cash equivalents, beginning of period	4,572,669	5,263,238
<b>Cash and cash equivalents, end of period</b>	<b>5,178,166</b>	<b>4,230,204</b>
<b>Supplemental information:</b>		
Interest received	85,886	83,618
Dividends received, net of withholding tax	58,299	61,295
Security lending income received	1,002	62

See accompanying notes to the interim condensed financial statements.

# CHOU ASIA FUND

## Interim Condensed Schedule of Investments

June 30, 2025 (Unaudited)

	Number of securities	Cost	Fair value
	#	\$	\$
<b>Equities*</b>			
AJIS Company Limited	30,400	213,157	847,751
Alibaba Group Holding Limited, ADR	3,400	406,470	525,083
BYD Electronic (International) Company Limited	618,000	149,881	3,409,150
Capital A Berhad	650,000	670,997	178,688
China Yuchai International Limited	23,364	395,719	760,719
IDFC First Bank Limited	1,565,500	1,854,236	1,810,655
Postal Savings Bank of China Company Limited	456,000	401,912	433,487
Shriram Finance Limited	258,210	942,551	2,898,097
Tencent Holdings Limited	4,600	320,964	401,380
Total long		5,355,887	11,265,010
Total investments		5,355,887	11,265,010
Transaction costs		-	-
Portfolio total		5,355,887	11,265,010

\* Common shares unless indicated otherwise

See accompanying notes to the interim condensed financial statements.

# CHOU ASIA FUND

## Discussion of Financial Risk Management

Six months ended June 30, 2025 and 2024 (Unaudited)

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### Investment objective and strategies:

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

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

### Financial risk management:

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

#### (a) Other price risk:

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Approximately 68.73% of the Fund's net assets held at June 30, 2025 were publicly traded equities (December 31, 2024 – 72.89%). If equity prices on the exchange had increased or decreased by 5% as at June 30, 2025, the net assets of the Fund would have increased or decreased by approximately \$563,251 or 3.44% (December 31, 2024 – \$599,637 or 3.64%) of the net assets, all other factors remaining constant.

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

# CHOU ASIA FUND

## Discussion of Financial Risk Management

Six months ended June 30, 2025 and 2024 (Unaudited)

### Financial risk management (continued):

#### (b) Foreign currency risk:

Currencies to which the Fund had exposure as at June 30, 2025 and December 31, 2024 expressed in CAD are as follows:

<b>June 30, 2025</b>	<b>Investments</b>	<b>Cash and cash equivalents</b>	<b>Net other assets and liabilities</b>	<b>Total</b>	<b>Percentage of net asset value</b>
	\$	\$	\$	\$	%
Hong Kong dollar (HKD)	4,244,017	-	66,439	4,310,456	26.3
United States dollar (USD)	1,285,801	5,034,986	57,804	6,378,591	38.9
Indian Rupee (₹)	4,708,752	8,118	-	4,716,870	28.8
Japanese yen (¥)	847,751	-	283	848,034	5.2
Malaysian Ringgit (MYR)	178,688	-	-	178,688	1.1

<b>December 31, 2024</b>	<b>Investments</b>	<b>Cash and cash equivalents</b>	<b>Net other assets and liabilities</b>	<b>Total</b>	<b>Percentage of net asset value</b>
	\$	\$	\$	\$	%
Hong Kong dollar (HKD)	5,551,206	-	-	5,551,206	33.7
United States dollar (USD)	1,419,402	4,497,562	33,467	5,950,431	36.2
Indian Rupee (₹)	4,164,698	15,108	-	4,179,806	25.4
Japanese yen (¥)	648,486	-	274	648,760	3.9
Malaysian Ringgit (MYR)	208,955	-	-	208,955	1.3
Chinese Renminbi (¥)	-	-	11,937	11,937	0.1

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

As at June 30, 2025, if the Canadian dollar had strengthened or weakened by 1% in relation to all currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$164,326 (December 31, 2024 – \$165,511).

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

## CHOU EUROPE FUND

(unaudited)

August 15, 2025

Dear Unitholders of Chou Europe Fund,

The net asset value per unit (“NAVPU”) of a Series A unit of Chou Europe Fund at June 30, 2025 was \$10.15 compared to \$10.02 at December 31, 2024, an increase of 1.3%; during the same period, the MSCI AC (Morgan Stanley Capital International All Country) Europe Total Return Index in Canadian dollars increased by 17.3%. In U.S. dollars, a Series A unit of Chou Europe Fund was up 6.9% while the MSCI AC Europe Total Return Index increased by 23.9%.

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

<b>June 30, 2025 (Series A)</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
Chou Europe Fund (\$CAN)	-5.0%	29.0%	14.2%	1.9%	6.1%
MSCI AC Europe TR (\$CAN)	18.8%	20.4%	12.6%	8.1%	9.9%
Chou Europe Fund (\$US)	-4.6%	26.6%	14.1%	1.0%	4.3%
MSCI AC Europe TR (\$US)	19.2%	18.1%	12.6%	7.2%	8.1%

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

### Factors Influencing the First Six-Month Results

The top gainers in the first half of 2025 were the equity holdings of Ryanair Holdings PLC, Sunrise Communications AG, and Prosus NV. The major underperformers in the period were the equity holdings of Stellantis NV and Wizz Air Holdings PLC.

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

During the period, the Fund sold the equity holding of Liberty Global PLC and reduced the equity holding in Prosus NV

The Fund did not enter into any forward currency contracts for pounds sterling or euros in the first half of 2025.

The Fund also had no covered call options in its portfolio as at June 30, 2025.

## **Portfolio Commentary**

### **Prosus N V (“Prosus”)**

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

The Board of Directors of Prosus announced a share repurchase program on June 27, 2022:

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

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

Since the discount to its net asset value has narrowed significantly, we have sold approximately half the position in Prosus.

As of June 30, 2025, Prosus repurchased 595,411,972 shares at an average price of EUR 44.97 per share for a total consideration of EUR 26.8 billion (US\$28.6 billion).

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

We initiated a position in FIAT back in late 2018 since it was a cheap stock with good amounts of cash. It caught our attention when its controlling shareholders stated that it wanted to unlock value either by paying special dividends, buying back shares, or through strategic mergers and acquisitions. Since our purchase in December 2018, we have received US\$9.94 in regular and special dividends, accounting for over 68.5% of the original price paid. We expect the regular and special dividend payments to continue.

According to management, Stellantis estimates its 2025 net tariff impact to be approximately EUR 1.5 billion, of which EUR 0.3 billion was incurred in H1 2025.

Stellantis has a strong balance sheet, and it is trading at a low valuation. It is facing short-term headwinds, and to succeed, it must execute on its plans. It is a classic value play and a classic capital allocation story.

### **TACO Trump**

It is amusing to experience how Trump is negotiating the trade war by unilaterally announcing high tariff rates on different countries. It is supposed to get attention, but when countries retaliate, and the stock markets tank or interest rates rise, he usually backs down, and the stock market recovers. He has a well-deserved nickname: TACO Trump, which means TRUMP ALWAYS CHICKENS OUT.

With each new announcement and threat by Trump regarding tariffs, I hoped the stock market would dip for a few months to reach undervalued levels. However, that hasn't occurred so far. Since we hold a substantial amount of cash (33.3% of assets) ready to invest, the ideal scenario for us is for stocks to become more affordable. Currently, the stock market remains high, and there are few attractive bargains.

We have been monitoring companies in North America across various industries and the potential effects of tariffs on profitability. Some companies, instead of passing the tariffs' costs onto consumers, absorbed the costs themselves, resulting in losses during the first half of 2025. This cannot continue over the long term as they would go bankrupt. I would prefer that they pass the costs onto consumers.

In time, imposing high tariff rates will result in higher prices for consumers. In a rudimentary way, this is how tariffs are implemented.

- 1) A business or individual from the U.S imports goods from another country.
- 2) At the U.S. border, customs officials assess a tariff rate based on the goods' value, quantity, or type.
- 3) The U.S. importer (not the exporter) pays the tariff to the U.S. government.
- 4) The U.S. importer raises prices to cover the tariff costs, making goods more expensive for consumers. Sometimes, the U.S. importer absorbs the tariff costs, incurring losses as a result.

Eventually, consumers will bear the cost, which will result in higher prices, thus creating inflationary pressures.

### **Caution to the Investors**

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

### **Other Matters**

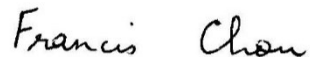
**REDEMPTION FEE:** We have a redemption fee of 2% if unitholders redeem their units in less than 3 months. None of this fee goes to the Fund Manager. It is put back into the Fund for the benefit of the remaining unitholders.

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

As of August 15, 2025, the NAVPU of a Series A unit of the Fund was \$10.78 and the cash position was approximately 33.3% of net assets. The Fund is up 7.5% from the beginning of the year. In U.S. dollars, it is up 11.9%.

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

Yours truly,

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

Francis Chou  
Fund Manager



# CHOU EUROPE FUND

## Interim Condensed Statements of Financial Position

June 30, 2025 and December 31, 2024 (Unaudited)

	June 30, 2025	December 31, 2024
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	1,285,308	864,495
Investments (note 8)	1,888,927	2,256,337
Receivable for redeemable units subscribed	20,000	-
Interest receivable	408	90
Dividends receivable	4,972	1,655
<b>Total assets</b>	<b>3,199,615</b>	<b>3,122,577</b>
<b>Liabilities</b>		
Current liabilities		
Accrued expenses	7,255	7,044
Payable for units redeemed	-	5,000
Distributions payable	-	5,317
<b>Total liabilities</b>	<b>7,255</b>	<b>17,361</b>
<b>Net assets attributable to unitholders of redeemable units</b>	<b>3,192,360</b>	<b>3,105,216</b>
 Net assets attributable to unitholders of redeemable units:		
Series A	865,657	923,109
Series F	2,326,703	2,182,107
	<b>3,192,360</b>	<b>3,105,216</b>
 Number of redeemable units outstanding (note 4):		
Series A	85,258	92,113
Series F	223,537	212,406
 Net assets attributable to unitholders of redeemable units per unit:		
Canadian dollars:		
Series A	10.15	10.02
Series F	10.41	10.27
U.S. dollars:		
Series A	7.45	6.97
Series F	7.64	7.14

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

*Francis Chou*

*[Signature]*

See accompanying notes to the interim condensed financial statements.

# CHOU EUROPE FUND

## Interim Condensed Statements of Comprehensive Income

Six months ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
	\$	\$
<b>Income:</b>		
Interest for distribution purposes and other	16,827	18,289
Dividends	50,744	72,969
Securities lending income (note 7)	1,858	3,983
Foreign currency (loss) gain on cash and other net assets	(4,648)	21,145
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:		
Realized (loss) gain on investments	(144,215)	2,425
Change in unrealized appreciation (depreciation) on investments	133,893	(33,603)
	54,459	85,208
<b>Expenses:</b>		
Management fees (note 5(a))	-	-
Custodial fees	4,671	5,137
Audit	2,212	2,224
Filing fees	438	1,501
Independent review committee fees	-	43
FundSERV fees	362	364
Legal fees	-	-
Transaction costs (note 6)	1,170	757
Foreign withholding taxes	3,597	10,491
Other	912	1,115
	13,362	21,632
<b>Increase in net assets attributable to unitholders of redeemable units</b>	<b>41,097</b>	<b>63,576</b>
<b>Increase in net assets attributable to unitholders of redeemable units per Series:</b>		
Series A	11,215	32,481
Series F	29,882	31,095
	41,097	63,576
<b>Weighted average number of redeemable units outstanding for the period for the Series:</b>		
Series A	86,999	109,489
Series F	217,574	170,080
<b>Increase in net assets attributable to unitholders of redeemable units per unit:</b>		
Series A	0.13	0.30
Series F	0.14	0.18

See accompanying notes to the interim condensed financial statements.

# CHOU EUROPE FUND

Interim Condensed Statements of Changes in Net Assets Attributable to Unitholders of Redeemable Units  
Six months ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
	\$	\$
<b>Series A</b>		
Net assets attributable to unitholders of redeemable units, beginning of period	923,109	1,299,064
Increase in net assets attributable to unitholders of redeemable units	11,215	32,481
Proceeds from issue of redeemable units	35,000	35,000
Payments on redemption of redeemable units	(103,667)	(226,838)
Net assets attributable to unitholders of redeemable units, end of period	865,657	1,139,707
<b>Series F</b>		
Net assets attributable to unitholders of redeemable units, beginning of period	2,182,107	1,981,925
Increase in net assets attributable to unitholders of redeemable units	29,882	31,095
Proceeds from issue of redeemable units	274,212	355,072
Payments on redemption of redeemable units	(159,498)	(282,243)
Net assets attributable to unitholders of redeemable units, end of period	2,326,703	2,085,849
Total net assets attributable to unitholders of redeemable units, end of period	3,192,360	3,225,556

See accompanying notes to the interim condensed financial statements.

# CHOU EUROPE FUND

## Statements of Cash Flows

Six months ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
	\$	\$
<b>Cash flows from operating activities:</b>		
Increase in net assets attributable to unitholders of redeemable units	41,097	63,576
Adjustments for:		
Foreign currency loss (gain) on cash and other net assets	4,648	(21,145)
Net realized loss (gain) on investments	144,215	(2,425)
Change in unrealized (appreciation) depreciation on investments	(133,893)	33,603
Change in non-cash operating working capital:		
(Increase) decrease in interest receivable	(318)	459
(Increase) in dividends receivable	(3,317)	(769)
Increase (decrease) in accrued expenses	211	(540)
Purchase of investments	-	(286,490)
Proceeds from sales of investments	357,088	2,828
Net cash generated from (used in) operating activities	409,731	(210,903)
<b>Cash flows from financing activities:</b>		
Distributions paid to unitholders	(5,317)	-
Proceeds from redeemable units issued	289,212	393,071
Amount paid on redemption of redeemable units	(268,165)	(509,081)
Net cash generated from (used in) financing activities	15,730	(116,010)
Foreign currency (loss) gain on cash and other net assets	(4,648)	21,145
Increase (decrease) in cash and cash equivalents	420,813	(305,768)
Cash and cash equivalents, beginning of period	864,495	1,024,358
<b>Cash and cash equivalents, end of period</b>	<b>1,285,308</b>	<b>718,590</b>
<b>Supplemental information:</b>		
Interest received, net of withholding tax	16,509	18,748
Dividends received, net of withholding tax	43,830	61,709
Security lending income received	1,858	3,983

See accompanying notes to the interim condensed financial statements.

# CHOU EUROPE FUND

## Interim Condensed Schedule of Investments

June 30, 2025 (Unaudited)

	Number of securities	Cost	Fair value
	#	\$	\$
<b>Equities *</b>			
Exor NV	2,250	287,247	308,945
Prosus NV	4,410	189,901	335,801
Ryanair Holdings PLC, ADR	5,937	68,562	466,245
Stellantis NV	30,000	583,249	409,751
Sunrise Communications AG, ADR	2,400	164,640	184,817
Wizz Air Holdings PLC	9,000	303,146	183,368
Total long		1,596,745	1,888,927
Total investments		1,596,745	1,888,927
Transaction costs		(2,673)	-
Portfolio total		1,594,072	1,888,927

\* Common shares unless indicated otherwise

See accompanying notes to the interim condensed financial statements.

# CHOU EUROPE FUND

## Discussion of Financial Risk Management

Six months ended June 30, 2025 and 2024 (Unaudited)

### Investment objective and strategies:

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

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

### Financial risk management:

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

#### (a) Other price risk:

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Approximately 59.17% of the Fund's net assets held at June 30, 2025 were publicly traded equities (December 31, 2024 – 72.66%). If equity prices on the exchange had increased or decreased by 5% as at June 30, 2025, the net assets of the Fund would have increased or decreased by approximately \$94,446 or 2.96% (December 31, 2024 – \$112,817 or 3.63%) of the net assets, all other factors remaining constant.

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

#### (b) Foreign currency risk:

Currencies to which the Fund had exposure as at June 30, 2025 and December 31, 2024 expressed in CAD are as follows:

June 30, 2025	Investments	Cash and cash equivalents	Net other assets and liabilities	Total	Percentage of net asset value
	\$	\$	\$	\$	%
United States dollar (USD)	1,244,181	1,067,138	5,248	2,316,567	72.6
Sterling pound (£)	-	-	-	-	0.0
Euro currency (€)	644,746	-	-	644,746	20.2

# CHOU EUROPE FUND

## Discussion of Financial Risk Management

Six months ended June 30, 2025 and 2024 (Unaudited)

### Financial risk management (continued):

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

December 31, 2024	Investments	Cash and cash equivalents	Net other assets and liabilities	Total	Percentage of net asset value
	\$	\$	\$	\$	%
United States dollar (USD)	1,536,546	717,075	1,656	2,255,277	72.6
Sterling pound (£)	-	-	-	-	0.0
Euro currency (€)	719,791	938	-	720,729	23.2

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

As at June 30, 2025, if the Canadian dollar had strengthened or weakened by 1% in relation to all currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$29,613 (December 31, 2024 – \$29,760).

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

## CHOU BOND FUND

(unaudited)

August 15, 2025

Dear Unitholders of Chou Bond Fund,

The net asset value per unit (“NAVPU”) of a Series A unit of Chou Bond Fund at June 30, 2025 was \$9.86 compared to \$9.83 at December 31, 2024, an increase of 0.3%; during the same period, Barclays U.S. Corporate High Yield Index (\$CAN) decreased by 0.8% in Canadian dollars. In U.S. dollars, a Series A unit of Chou Bond Fund returned 5.9% while Barclays U.S. Corporate High Yield Index increased by 4.6%.

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

<b>June 30, 2025 (Series A)</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>
Chou Bond Fund (\$CAN)	10.7%	6.4%	13.3%	7.0%	6.8%
Barclays’ U.S. High Yield (\$CAN)	10.0%	12.0%	6.0%	6.3%	8.2%
Chou Bond Fund (\$US)	11.2%	4.4%	13.2%	6.1%	5.1%
Barclays’ U.S High Yield (\$US)	10.3%	9.9%	6.0%	5.4%	6.4%

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

### Factors Influencing the First Six-Month Results

The top gainers in the first half of 2025 were the debt holding of Bausch Health Companies Inc., 11.000% due September 30, 2028. and the equity holding of EXCO Resources Inc.

The major underperformers in the period were the debt holding of Avation Capital SA, 8.25% due October 31, 2026 and Bausch Health Companies Inc., 14.000% due October 15, 2030.

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



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

Over the years, I have been asked frequently whether value investing truly works over the long term. Prior to two years ago, that question was usually asked with great skepticism. In my mind, unequivocally, the answer is yes. It works because you are buying an asset for a far lower price than what it is worth. So, we asked Fundata to supply the data and found the results of Chou Bond Fund to be a huge surprise over the long term! Chou Bond Fund Series F is ranked 2<sup>nd</sup> and Chou Bond Fund Series A is ranked 5<sup>th</sup> versus 146 funds over the 15-year period.

Fund category and rank	Performance period (number of years)			
	3	5	10	15
<b>Global fixed income, balanced:</b>				
Chou Bond Fund (Series A), rank	640	2	2	5
Chou Bond Fund (Series F), rank	606	1	1	2
Number of funds in this category	900	781	418	146

Note: Chou Bond Fund does not have a 20-year performance history.

Source: All data courtesy of Fundata.

### **Portfolio Commentary**

#### **EXCO Resources Inc. (“EXCO”)**

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

Since it is a private company, I am not at liberty to divulge the latest financial statements, but what I can tell you is that my calculation of its PV-10 value was more than US\$2.0 billion (roughly US\$44 per share) based on the New York Mercantile Exchange (NYMEX) forward pricing as of December 31, 2024, and the net proved reserves were 3.0 trillion cubic feet equivalent. The number of outstanding shares as of December 31, 2024, was 46,441,708. We estimate its EBITDA for the year ending 2025 will be between US\$200 million and US\$250 million. As a comparison, in 2018, the PV-10 value was US\$750 million.

As of June 30, 2025, the share of EXCO was valued at US\$22.13, which represents the mid-range estimate provided by Kroll, an independent third-party valuation firm.

#### **TACO Trump**

It is amusing to experience how Trump is negotiating the trade war by unilaterally announcing high tariff rates on different countries. It is supposed to get attention, but when countries retaliate, and the stock markets tank or interest rates rise, he usually backs down, and the stock market recovers. He has a well-deserved nickname: TACO Trump, which means TRUMP ALWAYS CHICKENS OUT.

With each new announcement and threat by Trump regarding tariffs, I hoped the bond market would dip for a few months to reach undervalued levels. However, that hasn't occurred so far.

Since we hold a substantial amount of cash (54.9% of assets) ready to invest, the ideal scenario for us is for bonds to become more affordable. Currently, the bond market remains high, and there are few attractive bargains.

We have been monitoring companies in North America across various industries and the potential effects of tariffs on profitability. Some companies, instead of passing the tariffs' costs onto consumers, absorbed the costs themselves, resulting in losses during the first half of 2025. This cannot continue over the long term as they would go bankrupt. I would prefer that they pass the costs onto consumers.

In time, imposing high tariff rates will result in higher prices for consumers. In a rudimentary way, this is how tariffs are implemented.

- 1) A business or individual from the U.S imports goods from another country.
- 2) At the U.S. border, customs officials assess a tariff rate based on the goods' value, quantity, or type.
- 3) The U.S. importer (not the exporter) pays the tariff to the U.S. government.
- 4) The U.S. importer raises prices to cover the tariff costs, making goods more expensive for consumers. Sometimes, the U.S. importer absorbs the tariff costs, incurring losses as a result.

Eventually, consumers will bear the cost, which will result in higher prices, thus creating inflationary pressures.

### **Large Cash Position**

Also, the Fund's cash and cash equivalent position was approximately 55.2% of net assets as at June 30, 2025. This large cash position may depress returns for a while as we hunt for undervalued securities. Obviously, if there is a severe correction in the market in the near future, it will cushion the Fund against losses while providing us with the wherewithal to find good investment opportunities. But for now, it could be a drag on returns. If we cannot find any bargains, the large cash position may stay for a long time.

### **Caution to the Investors**

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

**Other Matters**

FOREIGN CURRENCY CONTRACTS: None existed at June 30, 2025.

CREDIT DEFAULT SWAPS: None existed at June 30, 2025.

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

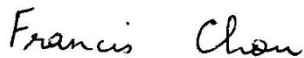
REDEMPTION FEE: We have a redemption fee of 2% if unitholders redeem their units in less than 3 months. None of this fee goes to the Fund Manager. It is put back into the Fund for the benefit of the remaining unitholders.

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

As of August 15, 2025, the NAVPU of a Series A unit of the Fund was \$10.09 and the cash and cash equivalent position was approximately 54.9% of net assets. The Fund is up 2.7% from the beginning of the year. In U.S. dollars, it is up 6.9%.

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

Yours truly,

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

Francis Chou  
Fund Manager

# CHOU BOND FUND

## Interim Condensed Statements of Financial Position

June 30, 2025 and December 31, 2024 (Unaudited)

	June 30, 2025	December 31, 2024
	\$	\$
<b>Assets</b>		
Current assets		
Cash and cash equivalents	9,360,377	10,152,289
Investments (note 8)	7,582,381	5,054,454
Receivable for redeemable units subscribed	5,882	11,882
Interest receivable	117,219	55,214
<b>Total assets</b>	<b>17,065,859</b>	<b>15,273,839</b>
<b>Liabilities</b>		
Current liabilities		
Accrued expenses	47,541	53,869
Payable for units redeemed	27,894	1,690
Distributions payable	-	18,943
<b>Total liabilities</b>	<b>75,435</b>	<b>74,502</b>
<b>Net assets attributable to unitholders of redeemable units</b>	<b>16,990,424</b>	<b>15,199,337</b>
Net assets attributable to unitholders of redeemable units:		
Series A	5,043,896	4,989,072
Series F	11,946,528	10,210,265
	<b>16,990,424</b>	<b>15,199,337</b>
Number of redeemable units outstanding (note 4):		
Series A	511,571	507,644
Series F	1,188,725	1,020,102
Net assets attributable to unitholders of redeemable units per unit (note 10):		
Canadian dollars:		
Series A	9.86	9.83
Series F	10.05	10.01
U.S. dollars:		
Series A	7.24	6.84
Series F	7.38	6.96

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

*Francis Chou*

*[Signature]*

See accompanying notes to the interim condensed financial statements.

# CHOU BOND FUND

## Interim Condensed Statements of Comprehensive Income

Six months ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
	\$	\$
<b>Income:</b>		
Interest for distribution purposes and other	464,987	360,325
Securities lending income (note 7)	1,114	7,803
Dividends	10,040	36,001
Foreign currency (loss) gain on cash and other net assets	(11,820)	20,669
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:		
Realized (loss) on financial assets at fair value through profit or loss	(84,399)	-
Change in unrealized (depreciation) appreciation on investments	(193,726)	407,776
	186,196	832,574
<b>Expenses:</b>		
Management fees (note 5(a))	99,869	66,765
Custodial fees	12,516	12,585
Audit fees	7,468	7,509
Filing fees	2,431	4,923
Independent review committee fees	-	146
FundSERV fees	1,629	1,638
Transaction costs	4	-
Other	103	359
	124,020	93,925
Increase in net assets attributable to unitholders of redeemable units	62,176	738,649
Increase in net assets attributable to unitholders of redeemable units per Series:		
Series A	15,580	324,910
Series F	46,596	413,739
	62,176	738,649
Weighted average number of redeemable units outstanding for the period for the Series:		
Series A	512,099	534,555
Series F	1,158,317	649,368
Increase in net assets attributable to unitholders of redeemable units per unit:		
Series A	0.03	0.61
Series F	0.04	0.64

See accompanying notes to the interim condensed financial statements.

# CHOU BOND FUND

Interim Condensed Statements of Changes in Net Assets Attributable to Unitholders of Redeemable Units  
Six months ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
	\$	\$
<b>Series A</b>		
Net assets attributable to unitholders of redeemable units, beginning of period	4,989,072	4,897,057
Increase in net assets attributable to unitholders of redeemable units	15,580	324,910
Proceeds from issue of redeemable units	74,999	313,310
Payments on redemption of redeemable units	(35,755)	(1,024,875)
Net assets attributable to unitholders of redeemable units, end of period	5,043,896	4,510,402
<b>Series F</b>		
Net assets attributable to unitholders of redeemable units, beginning of period	10,210,265	5,665,736
Increase in net assets attributable to unitholders of redeemable units	46,596	413,739
Proceeds from issue of redeemable units	2,439,075	1,485,563
Payments on redemption of redeemable units	(749,408)	(846,076)
Net assets attributable to unitholders of redeemable units, end of period	11,946,528	6,718,962
Total net assets attributable to unitholders of redeemable units, end of period	16,990,424	11,229,364

See accompanying notes to the interim condensed financial statements.

# CHOU BOND FUND

## Interim Condensed Statements of Cash Flows

Six months ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
	\$	\$
<b>Cash flows from operating activities:</b>		
Increase in net assets attributable to unitholders of redeemable units	62,176	738,649
Adjustments for:		
Foreign currency loss (gain) on cash and other net assets	11,820	(20,669)
Net realized loss on investments	84,399	-
Change in unrealized depreciation (appreciation) on investments	193,726	(407,776)
Interest accretion on bond	(82,724)	(80,163)
Change in non-cash operating working capital:		
Increase in interest receivable	(62,005)	(2,942)
Decrease in accrued expenses	(6,328)	(2,327)
Purchase of investments	(5,910,978)	-
Proceeds from sale of investments	3,187,650	-
Net cash flows (used in) generated from operating activities	(2,522,264)	224,772
<b>Cash flows from financing activities:</b>		
Distributions paid to unitholders	(18,943)	-
Proceeds from redeemable units issued	2,520,074	1,493,872
Amount paid on redemption of redeemable units	(758,959)	(1,877,081)
Net cash generated from (used in) financing activities	1,742,172	(383,209)
Foreign currency (loss) gain on cash and other net assets	(11,820)	20,669
Decrease in cash and cash equivalents	(791,912)	(137,768)
Cash and cash equivalents, beginning of period	10,152,289	819,383
<b>Cash and cash equivalents, end of period</b>	<b>9,360,377</b>	<b>681,615</b>
<b>Supplemental information:</b>		
Interest received, net of withholding tax	402,982	357,383
Dividends received	10,040	36,001
Security lending income received	1,114	7,803

See accompanying notes to the interim condensed financial statements.

# CHOU BOND FUND

## Interim Condensed Schedule of Investments

June 30, 2025 (Unaudited)

	Number of securities	Cost	Fair value
	#	\$	\$
<b>Equities *</b>			
Enbridge Inc., Preferred	16,000	307,587	314,080
EXCO Resources Inc.**	20,046	693,989	604,097
		1,001,576	918,177
<b>Bonds</b>			
Allegiant Travel Company, 7.250%, August 15, 2027, Callable	1,000,000	1,385,349	1,362,973
Avation Capital SA, 8.250%, October 31, 2026, Callable	778,477	832,097	1,032,677
Bausch Health Companies Inc., 11.000%, September 30, 2028	326,000	508,751	439,806
Bausch Health Companies Inc., 14.000%, October 15, 2030, Callable	65,000	73,373	77,513
Fortress Global Enterprises Inc., 9.750%, December 31, 2024, Convertible Bonds, Callable	3,659,000	2,058,513	366
MBIA Global Funding LLC, Zero Coupon, December 15, 2031	1,800,000	1,423,039	1,017,227
Strathcona Resources Limited, 6.875%, August 1, 2026, Callable	1,000,000	1,376,432	1,368,114
World Acceptance Corporation, 7.000%, November 1, 2026	1,000,000	1,061,998	1,365,528
Total long		8,719,552	6,664,204
Total investments		9,721,128	7,582,381
Transaction costs		-	-
Portfolio total		9,721,128	7,582,381

\* Common shares unless indicated otherwise

\*\*Shares received from debt restructuring

See accompanying notes to the interim condensed financial statements.



# CHOU BOND FUND

## Discussion of Financial Risk Management

Six months ended June 30, 2025 and 2024 (Unaudited)

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### Investment objective and strategies:

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

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

### Financial risk management:

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

#### (a) Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge a commitment that it has entered into with the Fund. As at June 30, 2025, the Fund invested 33.23% of its net assets in non-investment grade debt instruments (December 31, 2024 – 20.19%). Non-investment grade is the term applied to bonds rated below Baa3 on the Moody's credit rating scale and below BBB- on the equivalent ratings systems from Standard & Poor's and Fitch. The credit ratings could denote that the Company's financial position is weak and its bonds should be considered a speculative investment. As at June 30, 2025, the Fund invested approximately 5.99% (December 31, 2024 – 8.80%) of its net assets in non-rated bonds.

#### (b) Interest rate risk:

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

Debt instruments by maturity date:

	June 30, December 31,	
	2025	2024
	\$	\$
Less than 1 year	366	366
1 - 3 years	5,129,292	2,535,806
3 - 5 years	439,806	709,487
Greater than 5 years	1,094,740	1,160,923

# CHOU BOND FUND

## Discussion of Financial Risk Management

Six months ended June 30, 2025 and 2024 (Unaudited)

### Financial risk management (continued):

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

As at June 30, 2025, had interest rates decreased or increased by 0.25%, with all other variables remaining constant, the increase or decrease in net assets for the period would have amounted to approximately \$49,540 (December 31, 2024 – \$59,920).

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

#### (c) Other price risk:

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Approximately 1.85% (December 31, 2024 – 0.27%) of the Fund's net assets held at June 30, 2025 were publicly traded equities. If equity prices on the exchange had increased or decreased by 5% as at June 30, 2025, the net assets of the Fund would have increased or decreased by approximately \$15,704 or 0.09% (December 31, 2024 – \$2,022 or 0.01%) of the net assets, all other factors remaining constant.

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

#### (d) Foreign currency risk:

Currencies to which the Fund had exposure as at June 30, 2025 and December 31, 2024 expressed in CAD are as follows:

<b>June 30, 2025</b>	<b>Investments and derivatives</b>	<b>Cash and cash equivalents</b>	<b>Other assets and liabilities</b>	<b>Percentage of Total net asset value</b>
	\$	\$	\$	%
United States dollar (USD)	7,267,936	9,174,622	117,116	16,559,674 97.5

<b>December 31, 2024</b>	<b>Investments and derivatives</b>	<b>Cash and cash equivalents</b>	<b>Other assets and liabilities</b>	<b>Percentage of Total net asset value</b>
	\$	\$	\$	%
United States dollar (USD)	5,054,088	8,344,361	54,084	13,452,533 88.5

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

As at June 30, 2025, if the Canadian dollar had strengthened or weakened by 1% in relation to all currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$165,597 (December 31, 2024 – \$134,525).

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

## **CHOU RRSP FUND** (unaudited)

August 15, 2025

Dear Unitholders of Chou RRSP Fund,

The net asset value per unit (“NAVPU”) of a Series A unit of Chou RRSP Fund at June 30, 2025 was \$35.94 compared to \$34.85 at December 31, 2024, an increase of 3.1%; during the same period, the S&P/TSX Total Return Index increased by 10.2% in Canadian dollars. In U.S. dollars, a Series A unit of Chou RRSP Fund was up 8.8% while the S&P/TSX Total Return Index increased by 16.4%.

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

<b>June 30, 2025 (Series A)</b>	<b>1 Year</b>	<b>3 Years</b>	<b>5 Years</b>	<b>10 Years</b>	<b>15 Years</b>	<b>20 Years</b>
Chou RRSP Fund (\$CAN)	4.8%	4.4%	16.9%	2.7%	5.7%	4.0%
S&P/TSX (\$CAN)	26.4%	16.1%	15.1%	9.6%	9.2%	8.2%
Chou RRSP Fund (\$US)	5.3%	2.4%	16.9%	1.8%	4.0%	3.4%
S&P/TSX (\$US)	26.8%	14.0%	15.1%	8.7%	7.4%	7.7%

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

### **Factors Influencing the First Six-Month Results**

The top gainers were the equity holdings of TWC Enterprises Limited, Imperial Oil Limited, and Linamar Corporation. The major underperformers in the period were the equity holdings of Methanex Corporation, TVA Group Inc., Interfor Corporation, Class A shares of Reitmans (Canada) Limited, and Reitmans (Canada) Limited.

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

The Fund increased its holdings in Methanex Corporation, Morguard Corporation, Linamar Corporation, and Interfor Corporation.

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

The Fund also had no covered call options in its portfolio as at June 30, 2025.

## DOES VALUE-INVESTING WORK OVER THE LONG TERM?

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

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

### Fundata fund rankings by category (as of June 30, 2025)

Fund category and rank	Performance period (number of years)							
	3	5	10	15	20	25	30	35
<b>Canadian-focused small- and mid-cap equity:</b>								
Chou RRSP Fund (Series A), rank	48	9	33	22	2	1	1	1
Number of funds in this category	48	48	33	22	< 10	< 10	< 10	< 10

Source: All data courtesy of Fundata.

## Portfolio Commentary

### The Common Theme In New Purchases

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

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

### EXCO Resources Inc. (“EXCO”)

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

Since it is a private company, I am not at liberty to divulge the latest financial statements, but what I can tell you is that my calculation of its PV-10 value was more than US\$2.0 billion (roughly US\$44 per share) based on the New York Mercantile Exchange (NYMEX) forward pricing as of December 31, 2024, and the net proved reserves were 3.0 trillion cubic feet equivalent. The number of outstanding shares as of December 31, 2024, was 46,441,708. We estimate its EBITDA for the year ending 2025 will be between US\$200 million and US\$250 million. As a comparison, in 2018, the PV-10 value was US\$750 million.

As of June 30, 2025, the share of EXCO was valued at US\$22.13, which represents the mid-range estimate provided by Kroll, an independent third-party valuation firm.

## **TACO Trump**

It is amusing to experience how Trump is negotiating the trade war by unilaterally announcing high tariff rates on different countries. It is supposed to get attention, but when countries retaliate, and the stock markets tank or interest rates rise, he usually backs down, and the stock market recovers. He has a well-deserved nickname: TACO Trump, which means TRUMP ALWAYS CHICKENS OUT.

With each new announcement and threat by Trump regarding tariffs, I hoped the stock market would dip for a few months to reach undervalued levels. However, that hasn't occurred so far. Since we hold a substantial amount of cash (23.2% of assets) ready to invest, the ideal scenario for us is for stocks to become more affordable. Currently, the stock market remains high, and there are few attractive bargains.

We have been monitoring companies in North America across various industries and the potential effects of tariffs on profitability. Some companies, instead of passing the tariffs' costs onto consumers, absorbed the costs themselves, resulting in losses during the first half of 2025. This cannot continue over the long term as they would go bankrupt. I would prefer that they pass the costs onto consumers.

In time, imposing high tariff rates will result in higher prices for consumers. In a rudimentary way, this is how tariffs are implemented.

- 1) A business or individual from the U.S imports goods from another country.
- 2) At the U.S. border, customs officials assess a tariff rate based on the goods' value, quantity, or type.
- 3) The U.S. importer (not the exporter) pays the tariff to the U.S. government.
- 4) The U.S. importer raises prices to cover the tariff costs, making goods more expensive for consumers. Sometimes, the U.S. importer absorbs the tariff costs, incurring losses as a result.

Eventually, consumers will bear the cost, which will result in higher prices, thus creating inflationary pressures.

## **Caution to the Investors**

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

on how inexpensive we believe the Fund's portfolio holdings are relative to what we believe to be their intrinsic value.

**Other Matters**

FOREIGN CURRENCY CONTRACTS: None existed at June 30, 2025.

CREDIT DEFAULT SWAPS: None existed at June 30, 2025.

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

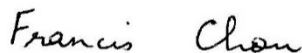
REDEMPTION FEE: We have a redemption fee of 2% if unitholders redeem their units in less than 3 months. None of this fee goes to the Fund Manager. It is put back into the Fund for the benefit of the remaining unitholders.

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

As of August 15, 2025, the NAVPU of a Series A unit of the Fund was \$37.11 and the cash position was approximately 23.2% of net assets. The Fund is up 6.5% from the beginning of the year. In U.S. dollars, it is up 10.8%.

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

Yours truly,

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

Francis Chou  
Fund Manager

# CHOU RRSP FUND

## Interim Condensed Statements of Financial Position

June 30, 2025 and December 31, 2024 (Unaudited)

	June 30, 2025	December 31, 2024
	\$	\$
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	6,902,200	12,517,501
Investments (note 8)	22,070,839	17,308,978
Interest receivable	298	522
Dividends receivable	3,600	3,000
<b>Total assets</b>	<b>28,976,937</b>	<b>29,830,001</b>
<b>Liabilities</b>		
Current liabilities		
Accrued expenses	36,785	40,595
Payable for units redeemed	2,064	11,764
Distributions payable	-	16,306
<b>Total liabilities</b>	<b>38,849</b>	<b>68,665</b>
<b>Net assets attributable to unitholders of redeemable units</b>	<b>28,938,088</b>	<b>29,761,336</b>
Net assets attributable to unitholders of redeemable units:		
Series A	15,782,580	16,149,975
Series F	13,155,508	13,611,361
	<b>28,938,088</b>	<b>29,761,336</b>
Number of redeemable units outstanding (note 4):		
Series A	439,171	463,374
Series F	361,055	386,268
Net assets attributable to unitholders of redeemable units per unit:		
Canadian dollars:		
Series A	35.94	34.85
Series F	36.44	35.24
U.S. dollars:		
Series A	26.39	24.24
Series F	26.76	24.52

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

*Francis Chou*

*[Signature]*

See accompanying notes to the interim condensed financial statements.

# CHOU RRSP FUND

## Interim Condensed Statements of Comprehensive Income (Loss)

Six months ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
	\$	\$
<b>Income:</b>		
Interest for distribution purposes and other	198,176	308,628
Dividends	150,761	133,878
Securities lending income (note 7)	2,109	280
Foreign currency (loss) gain on cash and other net assets	(1,925)	420,603
Other net changes in fair value of financial assets and financial liabilities at fair value through profit or loss:		
Realized gain (loss) on disposal of investments	451,602	(5,962,741)
Realized loss on derivatives	-	(1,197,087)
Change in unrealized appreciation on investments	391,876	5,069,444
Change in unrealized appreciation on derivatives	-	640,436
	1,192,599	(586,559)
<b>Expenses:</b>		
Management fees (note 5(a))	212,078	244,525
Custodial fees	35,300	43,559
Audit	16,301	19,462
Filing fees	4,011	16,089
Independent review committee fees	-	475
FundSERV fees	2,368	2,642
Legal fees	1,207	1,214
Transaction costs (note 6)	8,400	19,761
Other	170	1,088
	279,835	348,815
Increase (decrease) in net assets attributable to unitholders of redeemable units	912,764	(935,374)
Increase (decrease) in net assets attributable to unitholders of redeemable units per Series:		
Series A	477,719	(528,319)
Series F	435,045	(407,055)
	912,764	(935,374)
Weighted average number of redeemable units outstanding for the period for the Series:		
Series A	449,704	501,369
Series F	369,191	425,710
Increase (decrease) in net assets attributable to unitholders of redeemable units per unit:		
Series A	1.06	(1.05)
Series F	1.18	(0.96)

See accompanying notes to the interim condensed financial statements.



# CHOU RRSP FUND

Interim Condensed Statements of Changes in Net Assets Attributable to Unitholders of Redeemable Units  
Six months ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
	\$	\$
<b>Series A</b>		
Net assets attributable to unitholders of redeemable units, beginning of period	16,149,975	18,173,036
Increase (decrease) in net assets attributable to unitholders of redeemable units	477,719	(528,319)
Proceeds from issue of redeemable units	8,400	223,148
Payments on redemption of redeemable units	(853,514)	(795,868)
Net assets attributable to unitholders of redeemable units, end of period	15,782,580	17,071,997
<b>Series F</b>		
Net assets attributable to unitholders of redeemable units, beginning of period	13,611,361	16,214,596
Increase (decrease) in net assets attributable to unitholders of redeemable units	435,045	(407,055)
Proceeds from issue of redeemable units	95,270	89,276
Payments on redemption of redeemable units	(986,168)	(1,641,703)
Net assets attributable to unitholders of redeemable units, end of period	13,155,508	14,255,114
Total net assets attributable to unitholders of redeemable units, end of period	28,938,088	31,327,111

See accompanying notes to the interim condensed financial statements.

# CHOU RRSP FUND

## Interim Condensed Statements of Cash Flows

Six months ended June 30, 2025 and 2024 (Unaudited)

	2025	2024
	\$	\$
<b>Cash flows from operating activities:</b>		
Increase (decrease) in net assets attributable to unitholders of redeemable units	912,764	(935,374)
Adjustments for:		
Foreign currency loss (gain) on cash and other net assets	1,925	(420,603)
Net realized (gain) loss on disposal of investments and derivatives	(451,602)	7,159,828
Change in unrealized appreciation on investments and derivatives	(391,876)	(5,709,880)
Change in non-cash operating working capital:		
Decrease in interest receivable	224	12,102
Increase in dividends receivable	(600)	(3,000)
Decrease in accrued expenses	(3,810)	(13,337)
Purchase of investments	(4,334,422)	(2,560,107)
Proceeds from sales of investments	416,039	3,237,864
Net cash (used in) generated from operating activities	(3,851,359)	767,493
<b>Cash flows from financing activities:</b>		
Distributions paid to unitholders	(16,306)	-
Proceeds from redeemable units issued	103,670	312,424
Amount paid on redemption of redeemable units	(1,849,381)	(2,396,838)
Net cash used in financing activities	(1,762,017)	(2,084,414)
Foreign currency (loss) gain on cash and other net assets	(1,925)	420,603
Decrease in cash and cash equivalents	(5,615,301)	(896,318)
Cash and cash equivalents, beginning of period	12,517,501	14,462,317
<b>Cash and cash equivalents, end of period</b>	<b>6,902,200</b>	<b>13,565,999</b>
<b>Supplemental information:</b>		
Interest received, net of withholding tax	198,400	320,730
Dividends received, net of withholding tax	150,161	130,878
Security lending income received	2,109	280

See accompanying notes to the interim condensed financial statements.

# CHOU RRSP FUND

## Interim Condensed Schedule of Investments

June 30, 2025 (Unaudited)

	Number of securities	Cost	Fair value
	#	\$	\$
<b>Equities *</b>			
Athabasca Oil Corporation	50,000	225,600	282,000
Canfor Corporation	46,000	638,256	650,440
Canfor Pulp Products Inc.	142,400	405,214	102,528
Ensign Energy Services Inc.	449,100	915,914	1,010,475
EXCO Resources Inc.	114,371	2,373,080	3,446,630
Imperial Oil Limited	5,000	375,341	540,900
Interfor Corporation	101,200	965,048	1,269,048
Linamar Corporation	34,000	1,846,260	2,203,200
Magna International Inc., Class 'A'	10,000	624,709	525,772
Methanex Corporation	20,000	835,014	901,800
Morguard Corporation	8,600	958,103	974,122
MTY Food Group Inc.	20,000	849,947	850,000
Onex Corporation	13,900	925,774	1,558,190
Parex Resources Inc.	60,000	1,116,400	834,600
Reitmans (Canada) Limited, Class 'A'	429,100	1,083,106	819,581
Reitmans (Canada) Limited	526,100	1,993,539	1,067,983
Trican Well Service Limited	100,000	403,650	451,000
TVA Group Inc.	27,328	395,130	19,266
TWC Enterprises Limited	202,539	1,168,826	4,563,204
		18,098,911	22,070,739
<b>Bonds</b>			
Fortress Global Enterprises Inc., 9.750%, December 31, 2025, Convertible Bonds, Callable	1,000,000	780,000	100
Total investments		18,878,911	22,070,839
Transaction costs		(49,285)	-
Portfolio total		18,829,626	22,070,839

\* Common shares unless indicated otherwise

See accompanying notes to the interim condensed financial statements.

# CHOU RRSP FUND

## Discussion of Financial Risk Management

Six months ended June 30, 2025 and 2024 (Unaudited)

### Investment objective and strategies:

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

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

### Financial risk management:

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

#### (a) Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge a commitment that it has entered into with the Fund. As at June 30, 2025, the Fund did not invest any of its net assets in non-investment grade debt instruments (December 31, 2024 – \$Nil). Non-investment grade is the term applied to bonds rated below Baa3 on the Moody's credit rating scale and below BBB- on the equivalent ratings systems from Standard & Poor's and Fitch. These credit ratings could denote that the company's financial position is weak and its bonds should be considered a speculative investment. As at June 30, 2025, the Fund invested approximately 0.00% (December 31, 2024 – 0.00%) of its net assets in non-rated debt instruments.

#### (b) Interest rate risk:

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

Debt instruments by maturity date:

	June 30, 2025	December 31, 2024
	\$	\$
Less than 1 year	100	100
1 - 3 years	-	-
3 - 5 years	-	-
Greater than 5 years	-	-

As at June 30, 2025, had interest rates decreased or increased by 0.25%, with all other variables remaining constant, the increase or decrease in net assets for the period would have amounted to approximately \$nil (December 31, 2024 – \$nil).

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

# CHOU RRSP FUND

## Discussion of Financial Risk Management (continued)

Six months ended June 30, 2025 and 2024 (Unaudited)

### Financial risk management (continued):

#### (c) Other price risk:

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) caused by factors specific to a security, its issuer or all factors affecting a market or a market segment. Approximately 64.36% (December 31, 2024 – 46.51%) of the Fund's net assets held at June 30, 2025 were publicly traded equities. If equity prices on the exchange had increased or decreased by 5% as at June 30, 2025, the net assets of the Fund would have increased or decreased by approximately \$931,205 or 3.22% (December 31, 2024 – \$692,164 or 2.33%) of the net assets, all other factors remaining constant.

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

#### (d) Foreign currency risk:

Currencies to which the Fund had exposure as at June 30, 2025 and December 31, 2024 expressed in CAD are as follows:

<b>June 30, 2025</b>	<b>Investments and derivatives</b>	<b>Cash and cash equivalents</b>	<b>Other assets and liabilities</b>	<b>Total</b>	<b>Percentage of net asset value</b>
	\$	\$	\$	\$	%
United States dollar (USD)	3,972,402	6,422,072	8	10,394,482	35.9

<b>December 31, 2024</b>	<b>Investments and derivatives</b>	<b>Cash and cash equivalents</b>	<b>Other assets and liabilities</b>	<b>Total</b>	<b>Percentage of net asset value</b>
	\$	\$	\$	\$	%
United States dollar (USD)	4,066,317	11,692,799	6	15,759,122	53.0

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

As at June 30, 2025, if the Canadian dollar had strengthened or weakened by 1% in relation to all currencies, with all other variables held constant, net assets would have decreased or increased by approximately \$103,945 (December 31, 2024 – \$157,591).

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

# CHOU FUNDS

## Notes to the Unaudited Interim Financial Statements

Six months ended June 30, 2025 and 2024 (Unaudited)

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### 1. Formation of the Chou Funds:

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

The Funds were formed on the following dates:

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

### 2. Basis of presentation and statement of compliance and Material accounting policy information:

#### *Basis of presentation and statement of compliance*

These unaudited interim condensed financial statements (the "financial statements") have been prepared in compliance with IFRS® Accounting Standards 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). The preparation of these financial statements is based on accounting policies and practices in accordance with IFRS® Accounting Standards ("IFRS"). The accompanying financial statements should be read in conjunction with the notes to the Funds' audited financial statements for the year ended December 31, 2024, since they do not contain all disclosures required by IFRS for annual financial statements. These financial statements reflect all normal and recurring adjustments that are, in the opinion of management, necessary for a fair presentation of the respective interim periods presented.

These financial statements have been prepared on the historical cost basis, except for financial instruments classified as fair value through profit and loss ("FVTPL"), which are measured at fair value. These financial statements are presented in Canadian dollars, which is the Funds' functional currency.

The unaudited interim condensed financial statements were authorized for issue by the Manager on August 29, 2025.

#### *Material accounting policy information*

The material accounting policies used in the preparation of these financial statements are consistent with those as described in note 2 of the Funds' audited financial statements for the year ended December 31, 2024.

# CHOU FUNDS

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

Six months ended June 30, 2025 and 2024 (Unaudited)

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### 3. Financial risk management:

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

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

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

#### (a) Credit risk:

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

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

#### (b) Liquidity risk:

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

# CHOU FUNDS

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

Six months ended June 30, 2025 and 2024 (Unaudited)

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### 3. Financial risk management (continued):

#### (c) Market risk:

##### (i) Interest rate risk:

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

##### (ii) Other price risk:

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

##### (iii) Currency risk:

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

### 4. Holders of redeemable units:

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



# CHOU FUNDS

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

Six months ended June 30, 2025 and 2024 (Unaudited)

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

	Series A		Series F	
	June 30,		June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
<b>Chou Associates Fund</b>				
Redeemable units outstanding,				
beginning of period	633,599	691,639	286,656	294,530
Add redeemable units issued during the period	1,534	340	9,388	7,855
Deduct redeemable units redeemed during the period	(13,700)	(45,654)	(12,990)	(15,549)
Redeemable units outstanding before				
income distribution	621,433	646,325	283,054	286,836
Add redeemable units issued on reinvested income	-	-	-	-
Deduct redeemable units redeemed during the period	-	-	-	-
Redeemable units outstanding, end of period	621,433	646,325	283,054	286,836
<b>Chou Asia Fund</b>				
Redeemable units outstanding,				
beginning of period	248,278	305,074	321,608	344,150
Add redeemable units issued during the period	1,541	1,373	8,656	3,154
Deduct redeemable units redeemed during the period	(14,684)	(48,757)	(18,150)	(23,470)
Redeemable units outstanding before				
income distribution	235,135	257,690	312,114	323,834
Add redeemable units issued on reinvested income	-	-	-	-
Deduct redeemable units redeemed during the period	-	-	-	-
Redeemable units outstanding, end of period	235,135	257,690	312,114	323,834
<b>Chou Europe Fund</b>				
Redeemable units outstanding,				
beginning of period	92,113	113,823	212,406	169,026
Add redeemable units issued during the period	3,339	2,863	26,463	28,381
Deduct redeemable units redeemed during the period	(10,194)	(18,536)	(15,332)	(22,565)
Redeemable units outstanding before				
income distribution	85,258	98,150	223,537	174,842
Add redeemable units issued on reinvested income	-	-	-	-
Deduct redeemable units redeemed during the period	-	-	-	-
Redeemable units outstanding, end of period	85,258	98,150	223,537	174,842

# CHOU FUNDS

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

Six months ended June 30, 2025 and 2024 (Unaudited)

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

	Series A		Series F	
	June 30,		June 30,	
	2025	2024	2025	2024
	\$	\$	\$	\$
<b>Chou Bond Fund</b>				
Redeemable units outstanding,				
beginning of period	507,644	565,642	1,020,102	640,839
Add redeemable units issued during the period	7,622	34,902	243,564	161,633
Deduct redeemable units redeemed during the period	(3,695)	(114,076)	(74,941)	(93,455)
Redeemable units outstanding before				
income distribution	511,571	486,468	1,188,725	709,017
Add redeemable units issued on reinvested income	-	-	-	-
Deduct redeemable units redeemed during the period	-	-	-	-
Redeemable units outstanding, end of period	511,571	486,468	1,188,725	709,017
<b>Chou RRSP Fund</b>				
Redeemable units outstanding,				
beginning of period	463,374	509,615	386,268	449,653
Add redeemable units issued during the period	241	6,430	2,687	2,480
Deduct redeemable units redeemed during the period	(24,444)	(22,570)	(27,900)	(45,794)
Redeemable units outstanding before				
income distribution	439,171	493,475	361,055	406,339
Add redeemable units issued on reinvested income	-	-	-	-
Deduct redeemable units redeemed during the period	-	-	-	-
Redeemable units outstanding, end of period	439,171	493,475	361,055	406,339

# CHOU FUNDS

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

Six months ended June 30, 2025 and 2024 (Unaudited)

### 5. Related party transactions:

#### (a) Management fees:

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

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

	<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>
	\$	\$
Chou Associates Fund	1,360,159	1,257,207
Chou Asia Fund	117,405	109,748
Chou Europe Fund	-	-
Chou Bond Fund	99,869	66,765
Chou RRSP Fund	212,078	244,525

The Manager has waived the management fees for the Chou Europe Fund since August 2022 under the Simplified Prospectus and has not charged the management fee for the Chou Europe Fund for the first six months of the 2025 fiscal period. The management fee rates presented above relate to the contractual rates prior to any reduction. Management fees and related reductions are presented on a net basis in the statements of comprehensive income (loss).

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

	<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>
	\$	\$
Chou Associates Fund	187,168	174,970
Chou Asia Fund	15,883	15,568
Chou Europe Fund	-	-
Chou Bond Fund	14,644	9,380
Chou RRSP Fund	30,159	32,661

# CHOU FUNDS

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

Six months ended June 30, 2025 and 2024 (Unaudited)

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

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

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

As at June 30, 2025, the following amounts of Series A redeemable units were held by the Manager, its officers, and directors. No amounts of Series F redeemable units were held by the Manager, its officers, and directors.

	<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>
	\$	\$
Chou Associates Fund	74,676	74,704
Chou Asia Fund	-	-
Chou Europe Fund	27,286	22,051
Chou Bond Fund	-	-
Chou RRSP Fund	44,194	43,791

#### (i) Chou Associates Fund:

As at June 30, 2025, 8.3% of total redeemable units (December 31, 2024 – 8.1%) were held by the Manager, its officers, and directors.

#### (ii) Chou Europe Fund:

As at June 30, 2025, 8.8% of total redeemable units (December 31, 2024 – 7.9%) were held by the Manager, its officers, and directors.

#### (iii) Chou RRSP Fund:

As at June 30, 2025, 5.5% of total redeemable units (December 31, 2024 – 5.2%) were held by the Manager, its officers, and directors.

### 6. Brokers' commissions:

Total commissions paid to brokers in connection with portfolio transactions for the six months ended June 30, 2025 and 2024 are as follows:

	<b>June 30,</b>	
	<b>2025</b>	<b>2024</b>
	\$	\$
Chou Associates Fund	73,827	54,670
Chou Asia Fund	3,707	-
Chou Europe Fund	1,170	757
Chou Bond Fund	4	-
Chou RRSP Fund	8,400	19,761

# CHOU FUNDS

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

Six months ended June 30, 2025 and 2024 (Unaudited)

### 7. Securities lending:

The Funds have entered into a securities lending program with CIBC Mellon. The Funds receive collateral of at least 102% of the value of the securities on loan. Collateral may be comprised of cash and obligations of or guaranteed by, the Government of Canada or a province thereof, or by the United States Government or its agencies, but may include obligations of other governments with appropriate credit ratings. The aggregate dollar values of the securities that are on loan and the collateral received by the Funds as at June 30, 2025 and December 31, 2024 are as follows:

	<b>Market value of securities on loan</b>	<b>Market value of collateral received</b>
<b>June 30, 2025</b>	\$	\$
Chou Associates Fund	40,723,394	42,808,168
Chou Asia Fund	3,224,305	3,396,478
Chou Europe Fund	1,308,944	1,404,025
Chou Bond Fund	7,419,209	7,790,170
Chou RRSP Fund	8,111,382	8,541,466
<b>December 31, 2024</b>	\$	\$
Chou Associates Fund	44,023	46,469
Chou Asia Fund	-	-
Chou Europe Fund	202,608	219,576
Chou Bond Fund	-	-
Chou RRSP Fund	466,561	491,590

The securities lending income is presented in the statements of comprehensive income (loss) for the six months ended June 30, 2025 and June 30, 2024. It shows the gross amount of securities lending revenues generated from the securities lending transactions of the Fund, less any taxes withheld and amounts due to parties entitled to receive payments out of the gross amount as part of any securities lending agreements.

# CHOU FUNDS

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

Six months ended June 30, 2025 and 2024 (Unaudited)

### 7. Securities lending (continued):

The tables below present a reconciliation of the securities lending income as presented in the statements of comprehensive income (loss) for the six months ended June 30, 2025 and June 30, 2024. It shows the gross amount of securities lending revenues generated from the securities lending transactions of the Fund, less any taxes withheld and amounts due to parties entitled to receive payments out of the gross amount as part of any securities lending agreements.

#### Chou Associates Fund:

	2025		June 30, 2024	
	\$	%	\$	%
Gross securities lending revenue	36,249	100	230	100
Withholding taxes	(1,459)	(4)	-	-
Agent fees	(6,641)	(18)	(46)	(20)
Securities lending revenue	28,149	78	184	80

#### Chou Asia Fund:

	2025		June 30, 2024	
	\$	%	\$	%
Gross securities lending revenue	1,163	100	77	100
Withholding taxes	-	-	-	-
Agent fees	(161)	(14)	(15)	(19)
Securities lending revenue	1,002	86	62	81

#### Chou Europe Fund:

	2025		June 30, 2024	
	\$	%	\$	%
Gross securities lending revenue	2,271	100	4,991	100
Withholding taxes	-	-	(12)	-
Agent fees	(413)	(18)	(996)	(20)
Securities lending revenue	1,858	82	3,983	80

# CHOU FUNDS

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

Six months ended June 30, 2025 and 2024 (Unaudited)

### 7. Securities lending (continued):

#### Chou Bond Fund:

	June 30,			
	2025		2024	
	\$	%	\$	%
Gross securities lending revenue	1,375	100	9,754	100
Withholding taxes	(6)	-	-	-
Agent fees	(255)	(19)	(1,951)	(20)
Securities lending revenue	1,114	81	7,803	80

#### Chou RRSP Fund:

	June 30,			
	2025		2024	
	\$	%	\$	%
Gross securities lending revenue	2,837	100	353	100
Withholding taxes	(295)	(10)	(3)	(1)
Agent fees	(433)	(15)	(70)	(20)
Securities lending revenue	2,109	75	280	79

### 8. Fair value measurement:

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

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

# CHOU FUNDS

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

Six months ended June 30, 2025 and 2024 (Unaudited)

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

#### (a) Chou Associates Fund:

June 30, 2025	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial Assets</b>				
Equities	110,168,036	-	23,543,200	133,711,236
Bonds	-	-	-	-
Options	-	-	-	-
Warrants	4,957	-	-	4,957
Total	110,172,993	-	23,543,200	133,716,193
<b>Financial Liabilities</b>				
Equities	-	-	-	-
Bonds	-	-	-	-
Options	-	-	-	-
Warrants	-	-	-	-
Total	-	-	-	-
December 31, 2024	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial Assets</b>				
Equities	89,846,280	-	23,672,823	113,519,103
Bonds	-	-	-	-
Options	-	-	-	-
Warrants	2,696,009	-	-	2,696,009
Total	92,542,289	-	23,672,823	116,215,112
<b>Financial Liabilities</b>				
Equities	-	-	-	-
Bonds	-	-	-	-
Options	-	-	-	-
Warrants	-	-	-	-
Total	-	-	-	-



# CHOU FUNDS

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

Six months ended June 30, 2025 and 2024 (Unaudited)

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

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

The following table reconciles the Fund's Level 3 fair value measurement of financial instruments for the six months ended June 30, 2025.

	Equities	Bonds	Total
	\$	\$	\$
Balance, December 31, 2024	23,672,823	-	23,672,823
Purchase of investments	-	-	-
Net transfers in (out) during the period	-	-	-
Proceeds from sales during the period	-	-	-
Net realized gain (loss) on sale of investments	-	-	-
Change in unrealized appreciation (depreciation) in value of investments	(129,623)	-	(129,623)
Balance, June 30, 2025	23,543,200	-	23,543,200

The following table reconciles the Fund's Level 3 fair value measurement of financial instruments for the year ended December 31, 2024.

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

# CHOU FUNDS

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

Six months ended June 30, 2025 and 2024 (Unaudited)

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

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

During the six months period ended June 30, 2025, there were no significant transfers between Level 1 and Level 2.

For the year ended December 31, 2024, there were no significant transfers between Level 1 and Level 2.

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

#### Level 3 additional disclosures:

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

##### June 30, 2025

Securities / Instruments	Line item on the hierarchy table	Fair value (\$)	Valuation technique	Unob- servable input	Range of input value	Possible shift +/- (absolute value/%)	Change in valuation (\$ +/-)
Equity – Private Company	Equity Security	23,543,200	Market Approach & Income Approach	Third party WACC	12.75% - 9.75%	10%	2,354,320/ (2,354,320)

##### December 31, 2024

Securities / Instruments	Line item on the hierarchy table	Fair value (\$)	Valuation technique	Unob- servable input	Range of input value	Possible shift +/- (absolute value/%)	Change in valuation (\$ +/-)
Equity – Private Company	Equity Security	23,672,823	Market Approach & Income Approach	Third party WACC	12.75% - 9.75%	10%	2,367,282/ (2,367,282)

As at June 30, 2025, if a shift in the valuation of 10% were to occur, the valuation of the Level 3 equity could change by \$2,354,320 (December 31, 2024 – 2,367,282).

#### Third party source

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

# CHOU FUNDS

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

Six months ended June 30, 2025 and 2024 (Unaudited)

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

#### (b) Chou Asia Fund:

<b>June 30, 2025</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Financial Assets</b>				
Equities	11,265,010	-	-	11,265,010
Bonds	-	-	-	-
Options	-	-	-	-
<b>Total</b>	<b>11,265,010</b>	<b>-</b>	<b>-</b>	<b>11,265,010</b>

<b>December 31, 2024</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	\$	\$	\$	\$
<b>Financial Assets</b>				
Equities	11,992,747	-	-	11,992,747
Bonds	-	-	-	-
Options	-	-	-	-
<b>Total</b>	<b>11,992,747</b>	<b>-</b>	<b>-</b>	<b>11,992,747</b>

During the six months period ended June 30, 2025, there were no significant transfers between Level 1 and Level 2.

For the year ended December 31, 2024, there were no significant transfers between Level 1 and Level 2.

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

# CHOU FUNDS

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

Six months ended June 30, 2025 and 2024 (Unaudited)

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

#### (c) Chou Europe Fund:

June 30, 2025	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial Assets</b>				
Equities	1,888,927	-	-	1,888,927
Bonds	-	-	-	-
Options	-	-	-	-
Total	1,888,927	-	-	1,888,927

December 31, 2024	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial Assets</b>				
Equities	2,256,337	-	-	2,256,337
Bonds	-	-	-	-
Options	-	-	-	-
Total	2,256,337	-	-	2,256,337

During the six months period ended June 30, 2025, there were no transfers between Level 1 and Level 2.

During the year ended December 31, 2024, there were no transfers between Level 1 and Level 2.

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

#### (d) Chou Bond Fund:

June 30, 2025	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial Assets</b>				
Equities	314,080	-	604,097	918,177
Bonds	-	6,663,838	366	6,664,204
Options	-	-	-	-
Total	314,080	6,663,838	604,463	7,582,381

December 31, 2024	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial Assets</b>				
Equities	40,449	-	607,423	647,872
Bonds	-	4,406,216	366	4,406,582
Options	-	-	-	-
Total	40,449	4,406,216	607,789	5,054,454

# CHOU FUNDS

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

Six months ended June 30, 2025 and 2024 (Unaudited)

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

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

The following table reconciles the Fund's Level 3 fair value measurement of financial instruments for the six months ended June 30, 2025.

	<b>Equities</b>	<b>Bonds</b>	<b>Total</b>
	\$	\$	\$
Balance, December 31, 2024	607,423	366	607,789
Net transfers in during the period	-	-	-
Proceeds from sales during the period	-	-	-
Net realized gain (loss) on sale of investments	-	-	-
Change in unrealized appreciation (depreciation) in value of investments	(3,326)	-	(3,326)
Balance, June 30, 2025	604,097	366	604,463

The following table reconciles the Fund's Level 3 fair value measurement of financial instruments for the year ended December 31, 2024.

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

During the six months period ended June 30, 2025 and for the year ended December 31, 2024 there were no significant transfers between Level 1 and Level 2.

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

# CHOU FUNDS

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

Six months ended June 30, 2025 and 2024 (Unaudited)

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

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

##### Level 3 additional disclosures:

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

##### June 30, 2025

Securities / Instruments	Line item on the hierarchy table	Fair value (\$)	Valuation technique	Unob- servable input	Range of input value	Possible shift +/- (absolute value/%)	Change in valuation (\$ +/-)
Equity – Private Company	Equity Security	604,097	Market Approach & Income Approach	Third party WACC	12.75% - 9.75%	10%	60,410/ (60,410)
Convertible Bonds	Bonds	366	Market Approach	Market value of company	N/A	10%	37/ (37)

##### December 31, 2024

Securities / Instruments	Line item on the hierarchy table	Fair value (\$)	Valuation technique	Unob- servable input	Range of input value	Possible shift +/- (absolute value/%)	Change in valuation (\$ +/-)
Equity – Private Company	Equity Security	607,423	Market Approach & Income Approach	Third party WACC	12.75% - 9.75%	10%	60,742/ (60,742)
Convertible Bonds	Bonds	366	Market Approach	Market value of company	N/A	10%	37/ (37)

As at June 30, 2025, if a shift in the valuation of 10% were to occur, the valuation of the Level 3 equity could change by \$60,410 (December 31, 2024 – 60,742) and the valuation of the Level 3 bonds could change by \$37 (December 31, 2024- 37).

##### Third party source

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

# CHOU FUNDS

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

Six months ended June 30, 2025 and 2024 (Unaudited)

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

#### (e) Chou RRSP Fund:

June 30, 2025	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial Assets</b>				
Equities	18,624,109	-	3,446,630	22,070,739
Bonds	-	-	100	100
Warrants	-	-	-	-
<b>Total</b>	<b>18,624,109</b>	<b>-</b>	<b>3,446,730</b>	<b>22,070,839</b>
<b>Financial Liabilities</b>				
Equities	-	-	-	-
Bonds	-	-	-	-
Options	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

December 31, 2024	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Financial Assets</b>				
Equities	13,843,271	-	3,465,607	17,308,878
Bonds	-	-	100	100
Warrants	-	-	-	-
<b>Total</b>	<b>13,843,271</b>	<b>-</b>	<b>3,465,707</b>	<b>17,308,978</b>
<b>Financial Liabilities</b>				
Equities	-	-	-	-
Bonds	-	-	-	-
Options	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

The following table reconciles the Fund's Level 3 fair value measurement of financial instruments for the six months ended June 30, 2025.

	Equities	Bonds	Total
	\$	\$	\$
Balance, December 31, 2024	3,465,607	100	3,465,707
Net transfers in during the period	-	-	-
Proceeds from sales during the period	-	-	-
Net realized gain (loss) on sale of investments	-	-	-
Change in unrealized appreciation (depreciation) in value of investments	(18,977)	-	(18,977)
<b>Balance, June 30, 2025</b>	<b>3,446,630</b>	<b>100</b>	<b>3,446,730</b>

The following table reconcile the Fund's Level 3 fair value measurement of financial instruments for the year ended December 31, 2024.

# CHOU FUNDS

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

Six months ended June 30, 2025 and 2024 (Unaudited)

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

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

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

During the six months period ended June 30, 2025 and for the year ended December 31, 2024 there were no significant transfers between Level 1 and Level 2.

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

#### Level 3 additional disclosures:

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

##### June 30, 2025

Securities / Instruments	Line item on the hierarchy table	Fair value (\$)	Valuation technique	Unob- servable input	Range of input value	Possible shift +/- value (%)	Change in valuation (\$ +/-)
Equity – Private Company	Equity Security	3,446,630	Market Approach & Income Approach	Third party WACC	12.75% - 9.75%	10%	344,663/ (344,663)
Convertible Bonds	Bonds	100	Market Approach	Market value of company	N/A	10%	10/ (10)

##### December 31, 2024

Securities / Instruments	Line item on the hierarchy table	Fair value (\$)	Valuation technique	Unob- servable input	Range of input value	Possible shift +/- value (%)	Change in valuation (\$ +/-)
Equity – Private Company	Equity Security	3,465,607	Market Approach & Income Approach	Third party WACC	12.75% - 9.75%	10%	346,561/ (346,561)
Convertible Bonds	Bonds	100	Market Approach	Market value of company	N/A	10%	10/ (10)



# CHOU FUNDS

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

Six months ended June 30, 2025 and 2024 (Unaudited)

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

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

As at June 30, 2025, if a shift in the valuation of 10% were to occur, the valuation of the Level 3 equity could change by \$344,663 (December 31, 2024 – 346,561) and the valuation of the Level 3 bonds could change by \$10 (December 31, 2024- 10).

#### Third party source

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

### 9. Income taxes:

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

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

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

	June 30,	
	2025	2024
	\$	\$
Chou Associates Fund	-	-
Chou Asia Fund	-	-
Chou Europe Fund	4,222,206	4,222,206
Chou Bond Fund	12,055,505	12,095,612
Chou RRSP Fund	15,462,975	11,983,249

### 10. Audit fees:

For the 6 months ended June 30, 2025, fees paid or payable for the audit of the financial statements of the Funds were \$134,505 (2024 – 125,405). Fees paid to for other services were \$15,861 (2024 – \$1,125).

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

**CHOU ASIA FUND**

<b>Period ended</b>	<b>Total value of shares</b>
Dec.31, 2003	\$10,000
Dec.31, 2004	11,850
Dec.31, 2005	12,678
Dec.31, 2006	14,598
Dec.31, 2007	16,972
Dec.31, 2008	13,979
Dec.31, 2009	17,015
Dec.31, 2010	18,786
Dec.31, 2011	17,931
Dec.31, 2012	17,609
Dec.31, 2013	21,799
Dec.31, 2014	23,472
Dec.31, 2015	24,760
Dec.31, 2016	25,284
Dec.31, 2017	30,625
Dec.31, 2018	26,728
Dec.31, 2019	27,001
Dec.31, 2020	44,850
Dec.31, 2021	44,087
Dec.31, 2022	41,185
Dec.31, 2023	48,176
Dec.31, 2024	56,617
<b>June 30, 2025</b>	<b><u>\$58,631</u></b>

**CHOU EUROPE FUND**

<b>Period ended</b>	<b>Total value of shares</b>
Dec.31, 2003	\$10,000
Dec.31, 2004	11,361
Dec.31, 2005	12,650
Dec.31, 2006	14,002
Dec.31, 2007	11,881
Dec.31, 2008	6,655
Dec.31, 2009	8,962
Dec.31, 2010	8,885
Dec.31, 2011	8,451
Dec.31, 2012	10,753
Dec.31, 2013	15,199
Dec.31, 2014	15,342
Dec.31, 2015	15,629
Dec.31, 2016	12,705
Dec.31, 2017	13,161
Dec.31, 2018	11,856
Dec.31, 2019	11,495
Dec.31, 2020	14,626
Dec.31, 2021	13,973
Dec.31, 2022	15,090
Dec.31, 2023	21,063
Dec.31, 2024	20,084
<b>June 30, 2025</b>	<b><u>\$20,349</u></b>

**CHOU BOND FUND**

<b>Period ended</b>	<b>Total value of shares</b>
Dec.31, 2005	\$10,000
Dec.31, 2006	12,200
Dec.31, 2007	11,870
Dec.31, 2008	7,396
Dec.31, 2009	10,534
Dec.31, 2010	13,980
Dec.31, 2011	11,408
Dec.31, 2012	12,884
Dec.31, 2013	15,944
Dec.31, 2014	17,502
Dec.31, 2015	16,875
Dec.31, 2016	18,411
Dec.31, 2017	18,114
Dec.31, 2018	20,805
Dec.31, 2019	15,582
Dec.31, 2020	19,458
Dec.31, 2021	27,484
Dec.31, 2022	29,671
Dec.31, 2023	29,120
Dec.31, 2024	34,418
<b>June 30, 2025</b>	<b><u>\$34,529</u></b>

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

**CHOU RRSP FUND**

<b>Period ended</b>	<b>Total value of shares</b>
Dec.31, 1986	\$10,000
Dec.31, 1987	10,818
Dec.31, 1988	12,281
Dec.31, 1989	14,350
Dec.31, 1990	12,722
Dec.31, 1991	13,284
Dec.31, 1992	14,500
Dec.31, 1993	16,727
Dec.31, 1994	14,961
Dec.31, 1995	17,808
Dec.31, 1996	21,735
Dec.31, 1997	32,741
Dec.31, 1998	38,806
Dec.31, 1999	36,217
Dec.31, 2000	42,188
Dec.31, 2001	49,370
Dec.31, 2002	65,095
Dec.31, 2003	72,658
Dec.31, 2004	82,362
Dec.31, 2005	95,294
Dec.31, 2006	104,479
Dec.31, 2007	94,817
Dec.31, 2008	54,629
Dec.31, 2009	69,818
Dec.31, 2010	102,367
Dec.31, 2011	81,150
Dec.31, 2012	108,860
Dec.31, 2013	132,029
Dec.31, 2014	150,763
Dec.31, 2015	131,417
Dec.31, 2016	126,719
Dec.31, 2017	154,716
Dec.31, 2018	143,655
Dec.31, 2019	118,267
Dec.31, 2020	134,262
Dec.31, 2021	209,422
Dec.31, 2022	191,136
Dec.31, 2023	188,116
Dec.31, 2024	185,537
<b>Jun.30, 2025</b>	<b>\$191,308</b>

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

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

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