INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

June 30, 2026

CHOU ASIA FUND

CHOU ASSOCIATES MANAGEMENT INC.

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

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

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

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

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

Management Discussion of Fund Performance

Investment Objective and Strategies

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

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

Risk

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

During the period ended June 30, 2026, there were no material changes that affected the Fund's overall level of risk.

Market Review

For the first six months of 2026, the market, as measured by the MSCI AC Asia Pacific Index, gained approximately 21.7% in U.S. dollars. Asian equity markets experienced mixed performance amid trade policy uncertainty and geopolitical tensions. Technology-driven markets, particularly Taiwan, outperformed on continued strength in artificial intelligence and semiconductor demand, while Japan remained resilient, supported by solid corporate earnings and governance reforms. In contrast, Chinese and Indian equities lagged regional peers as investors favored markets with greater exposure to AI-related growth.

Results of Operations

For the period ended June 30, 2026, the Fund decreased by 5.5% for Series A units and 5.2% for Series F units after fees and expenses, while the MSCI AC Asia Pacific Total Return Index increased by 26.0% in Canadian dollars. In U.S. dollars, the Fund was down 8.5% for Series A units and 8.3% for Series F units, while the MSCI AC Asia Pacific Total Return Index increased by 21.7%.

The top contributor in the first half of 2026 was the equity holdings of China Yuchai International Limited.

The major underperformers in the same period were the equity holdings of BYD Electronic (International) Company Limited, Alibaba Group Holding Limited, AirAsia X Berhad, Tencent Holdings Limited, and Postal Savings Bank of China Co Ltd.

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

Portfolio Update

In February 2026, the Fund tendered its AJIS Co., Ltd. shares at 4,450 yen per share following Saito Holdings' privatization offer.

The Fund initiated investments in the equity holding of ITOCHU Corporation and Sumitomo Corporation.

The Fund also had no covered call options in its portfolio as at June 30, 2026.

The Fund received $2,112 in income from its securities lending program in the first half of 2026.

The Fund did not enter into any foreign currency contracts during the period ended June 30, 2026.

The Fund's net redemptions for the period ended June 30, 2026 were approximately $986,731. The Fund's average month-end cash position for the period was 20.6% of the Fund's net assets.

Recent Developments

Global markets experienced periods of volatility as investors assessed evolving trade policies, geopolitical developments, and shifting expectations for monetary policy. Investors will closely monitor inflation trends, economic growth, corporate earnings, and market valuations as key factors shaping investment sentiment. Continued investment in artificial intelligence and technology may support selected sectors, while changes in risk appetite and market conditions could contribute to volatility and affect the Fund's portfolio performance.

Related Party Transactions

The Manager manages the overall business of the Fund, including selection of the securities in the Fund's portfolio, and promoting the sale of the Fund's units.

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

The Manager, its officers and directors invest in units of the Fund from time to time in the normal course of business. As of June 30, 2026, the Manager, its officers and directors do not hold any units of the Fund. All transactions with the Manager are carried out at the Fund's net asset value as at the transaction date.

During the period ended June 30, 2026, there were no transactions with related parties except in the capacities and instances set out above.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period ended June 30, 2026, and for each of the past five years ended December 31, as applicable.

The Fund's Net Assets per Unit[1] - Series A Units

	Jun 2026	2025	2024	2023	2022	2021
Net Assets, beginning of year	**$ 31.20**	**$ 28.46**	**$ 24.28**	**$ 20.95**	**$ 23.42**	**$ 28.66**
Increase (decrease) from operations:						
Total revenue	$ 0.21	$ 0.67	$ 0.73	$ 0.78	$ 0.40	$ 0.63
Total expenses	$ (0.36)	$ (0.74)	$ (0.64)	$ (0.61)	$ (0.52)	$ (0.59)
Realized gains (losses) for the year	$ 1.87	$ 2.95	$ 0.83	$ 0.44	$ 3.10	$ 6.40
Unrealized gains (losses) for the year	$ (3.41)	$ 2.09	$ 3.12	$ 2.90	$ (7.29)	$ (7.07)
Total increase (decrease) from operations[2]	**$ (1.68)**	**$ 4.97**	**$ 4.04**	**$ 3.51**	**$ (4.31)**	**$ (0.63)**
Distributions:						
From income (excluding dividends)	$ -	$ -	$ 0.08	$ 0.22	$ -	$ 0.04
From dividends	$ -	$ -	$ -	$ -	$ -	$ -
From capital gains	$ -	$ 2.15	$ -	$ -	$ 0.93	$ 4.70
Return of capital	$ -	$ -	$ -	$ -	$ -	$ -
Total Distributions[3]	**$ -**	**$ 2.15**	**$ 0.08**	**$ 0.22**	**$ 0.93**	**$ 4.74**
Net Assets, end of year	**$ 29.49**	**$ 31.20**	**$ 28.46**	**$ 24.28**	**$ 20.95**	**$ 23.42**
Net Assets, end of year (USD)	**$ 20.79**	**$ 22.73**	**$ 19.80**	**$ 18.32**	**$ 15.47**	**$ 18.52**

Ratios and Supplemental Data - Series A Units

	Jun 2026	2025	2024	2023	2022	2021
Total Net Asset Value (000s)[4]	**$ 6,600**	**$ 7,488**	**$ 7,067**	**$ 7,408**	**$ 6,914**	**$17,294**
Number of Redeemable Units Outstanding	223,826	240,032	248,278	305,074	330,014	738,334
Management Expense Ratio[5]	2.25%	2.29%	2.38%	2.26%	2.26%	1.76%
Management Expense Ratio before waivers or absorption[5]	2.25%	2.29%	2.38%	2.26%	2.26%	1.76%
Trading Expense Ratio[6]	0.06%	0.02%	0.01%	0.02%	0.09%	0.08%
Portfolio Turnover Rate[7]	8.66%	15.97%	0.00%	0.14%	3.26%	7.00%
Net Asset Value per Unit	**$ 29.49**	**$ 31.20**	**$ 28.46**	**$ 24.28**	**$ 20.95**	**$ 23.42**

The Fund's Net Assets per Unit[1] - Series F Units

	Jun 2026	2025	2024	2023	2022	2021
Net Assets, beginning of year	**$ 32.11**	**$ 29.18**	**$ 24.92**	**$ 21.47**	**$ 24.00**	**$ 29.34**
Increase (decrease) from operations:						
Total revenue	$ 0.22	$ 0.69	$ 0.76	$ 0.81	$ 0.47	$ 0.65
Total expenses	$ (0.28)	$ (0.58)	$ (0.51)	$ (0.49)	$ (0.43)	$ (0.46)
Realized gains (losses) for the year	$ 1.95	$ 2.99	$ 0.91	$ 0.42	$ 5.51	$ 6.50
Unrealized gains (losses) for the year	$ (3.54)	$ 2.08	$ 3.28	$ 3.07	$ (3.80)	$ (6.40)
Total increase (decrease) from operations[2]	**$ (1.65)**	**$ 5.18**	**$ 4.44**	**$ 3.81**	**$ 1.75**	**$ 0.29**
Distributions:						
From income (excluding dividends)	$ -	$ -	$ 0.27	$ 0.33	$ -	$ 0.17
From dividends	$ -	$ -	$ -	$ -	$ -	$ -
From capital gains	$ -	$ 2.17	$ -	$ -	$ 1.06	$ 4.81
Return of capital	$ -	$ -	$ -	$ -	$ -	$ -
Total Distributions[3]	**$ -**	**$ 2.17**	**$ 0.27**	**$ 0.33**	**$ 1.06**	**$ 4.98**
Net Assets, end of year	**$ 30.43**	**$ 32.11**	**$ 29.18**	**$ 24.92**	**$ 21.47**	**$ 24.00**
Net Assets, end of year (USD)	**$ 21.46**	**$ 23.39**	**$ 20.30**	**$ 18.81**	**$ 15.86**	**$ 18.97**

Ratios and Supplemental Data - Series F Units

	Jun 2026	2025	2024	2023	2022	2021
Total Net Asset Value (000s)[4]	**$ 9,412**	**$10,421**	**$ 9,386**	**$ 8,577**	**$ 8,411**	**$ 1,279**
Number of Redeemable Units Outstanding	309,304	324,577	321,608	344,150	391,855	53,316
Management Expense Ratio[5]	1.69%	1.73%	1.82%	1.70%	1.80%	1.29%
Management Expense Ratio before waivers or absorption[5]	1.69%	1.73%	1.82%	1.70%	1.80%	1.29%
Trading Expense Ratio[6]	0.06%	0.02%	0.01%	0.02%	0.09%	0.08%
Portfolio Turnover Rate[7]	8.66%	15.97%	0.00%	0.14%	3.26%	7.00%
Net Asset Value per Unit	**$ 30.43**	**$ 32.11**	**$ 29.18**	**$ 24.92**	**$ 21.47**	**$ 24.00**

(1) This information is derived from the Fund's audited annual and unaudited semi-annual financial statements.
(2) Net assets and distributions are based on the actual number of redeemable units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of redeemable units outstanding over the financial period.
(3) Distributions were reinvested in additional units of the Fund or paid in cash upon request.
(4) This information is provided as at the period end shown and is rounded to the nearest thousand.
(5) Management expense ratio ("MER") is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of weekly average net asset value during the period. The Manager may, at its discretion, waive or absorb certain operating expenses. MER includes the waiver or absorption by the Manager of certain operating expenses, while the MER before absorption shows the MER prior to operating expenses being waived or absorbed by the Manager.
(6) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of weekly average net asset value during the period.
(7) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the financial period. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

Management Fees

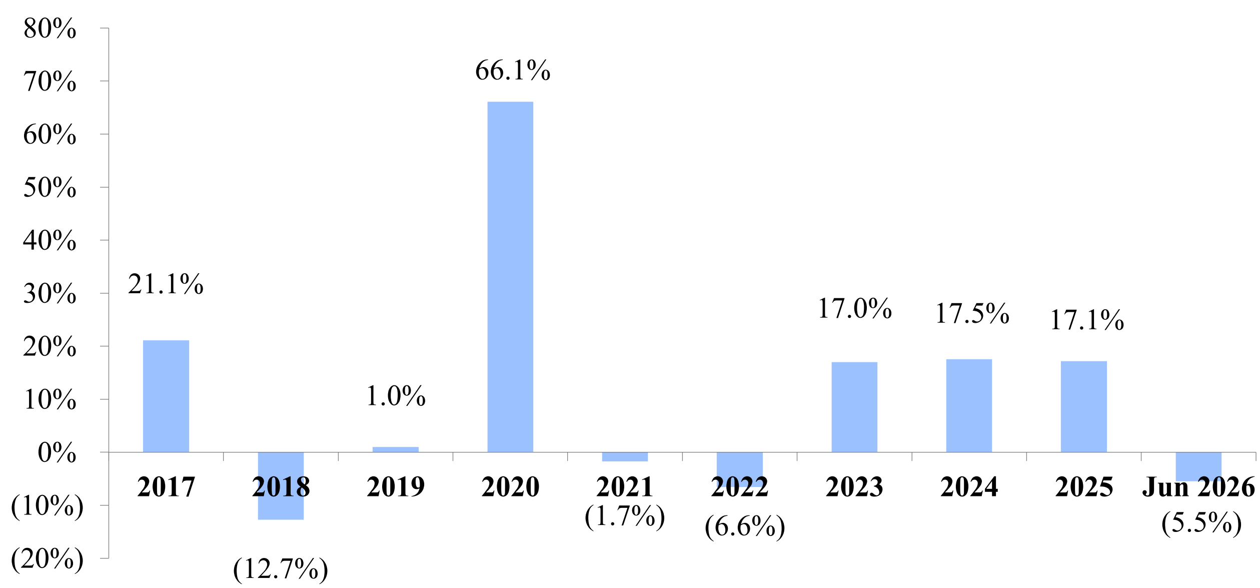
The Manager manages the Fund. The Manager is entitled to an investment management fee calculated daily as a percentage of the market value of the net assets equal to 1.5% per annum for Series A units and 1.0% per annum for Series F units, payable monthly. The Manager pays 50 basis points per year trailer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

Past Performance

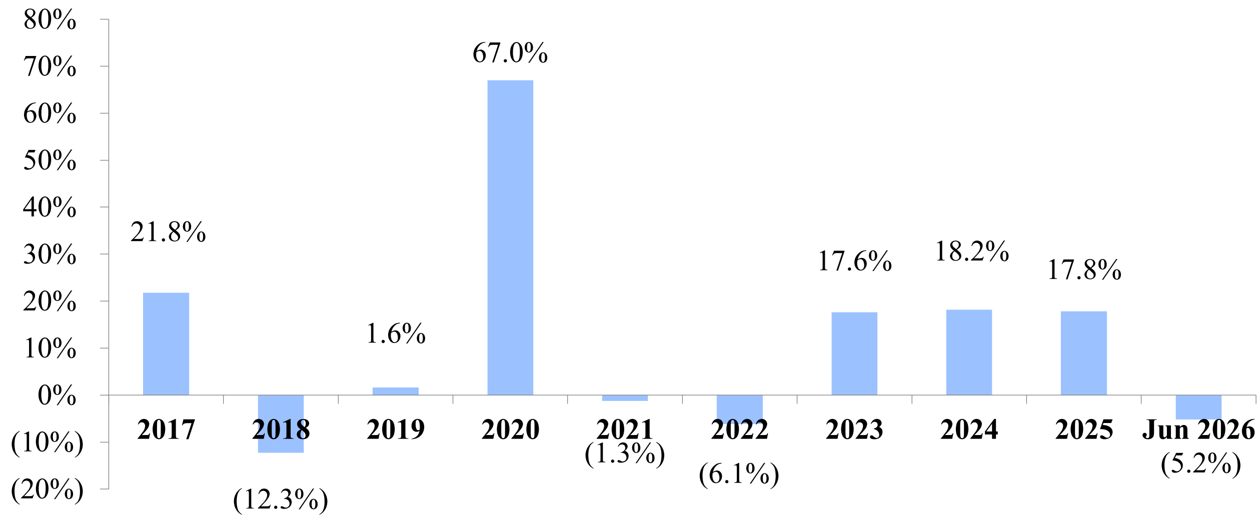
General
The following charts and tables show the Fund's past performance. Rates of return are historical total returns that include changes in unit prices and assume the reinvestment of all distributions. These returns do not take into account any sales charges, redemption fees, other optional expenses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

Year-by-Year Returns
The following bar charts show the annual performance for each of the Series A and Series F units of the Fund for each of the years shown. Each chart shows, in percentage terms, how an investment on January 1 would have increased or decreased by December 31 for each of the years, and how the performance of the Fund varied from year to year. The return for 2026 is for the six-month period from January 1 to June 30.

Series A



Series F



Annual Compound Returns

The following tables[1] show the annual compound total return for each of the Series A and Series F units of the Fund. The tables outline the Fund's past performance for the one-, three-, five-, and ten-year periods ended on June 30, 2026. Also shown for the same periods are the respective historical annual compound total returns of the MSCI Asia Pacific Index (the "Index"). The Index is based on the market capitalizations of approximately 900 leading companies publicly traded in the three developed market countries and eight emerging market countries in Asia. The benchmark Index is calculated without the deduction of management fees and fund expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses.

Series A

June 30, 2026	**Past Year**	**Past 3 Years**	**Past 5 Years**	**Past 10 Years**
Chou Asia Fund	6.92%	12.93%	4.41%	9.82%
MSCI Asia Pacific ($CAN)	43.73%	24.91%	11.61%	11.89%

Series F

June 30, 2026	**Past Year**	**Past 3 Years**	**Past 5 Years**	**Past 10 Years**
Chou Asia Fund	7.53%	13.57%	4.99%	10.42%
MSCI Asia Pacific ($CAN)	43.73%	24.91%	11.61%	11.89%

[1] Tables assume the reinvestment of all distributions.

Summary of Investment Portfolio

The following tables provide a summary of the Fund's portfolio as at June 30, 2026.

Geographic Distribution	% of Fund's Net Assets
India	36.8%
China	19.2%
Japan	10.8%
Singapore	9.8%
Hong Kong	2.9%
Malaysia	1.4%
Net Cash Equivalents	19.1%
Total Portfolio	**100.0%**

Total Issuers	% of Fund's Net Assets
(excluding cash equivalents)	
Equities	
Shriram Finance Limited	25.2%
BYD Electronic (International) Company Limited	14.6%
IDFC First Bank Limited	11.6%
China Yuchai International Limited	9.8%
Sumitomo Corporation	5.9%
ITOCHU Corporation	4.9%
Alibaba Group Holding Limited, ADR	2.9%
Postal Savings Bank of China Company Limited	2.4%
Tencent Holdings Limited	2.2%
AirAsia X Berhad	0.7%
Capital A Berhad	0.6%
Total Equities	**80.8%**
Derivatives - Long	
AirAsia X Berhad, warrants, December 31, 2030	0.1%
Total Holdings	**80.9%**

The summary of the Fund's investment portfolio may change due to ongoing portfolio transactions of the Fund. The next quarterly update as at September 30, 2026 will be in the Quarterly Portfolio Disclosure and will be posted on our website www.choufunds.com on or before October 31, 2026.

Chou Associates Management Inc.
110 Sheppard Ave. East
Suite 301, Box 18
Toronto, Ontario
M2N 6Y8

Tel: 416-214-0675
Toll-free: 1-888-357-5070
Fax: 416-214-1733
Web: www.choufunds.com
E-mail: admin@choufunds.com

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

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

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

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