

**Donald Smith & Co., Inc.**

Domestic Equity: Russell 3000 Benchmark

For the month of: **March** **2025****Manager Performance Calculations**

\* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Donald Smith & Co.	-1.57%	0.30%	9.94%	23.21%	34.32%
Russell 3000	-5.83%	-4.72%	7.22%	8.22%	18.18%

**Portfolio Attributes**

<u>Characteristics</u>	<u>DSCO</u>	<u>RU 3000</u>	<u>Sector Analysis</u>		
			<u>Over-weight</u>	<u>DSCO</u>	<u>RU 3000</u>
Mkt Value (\$m)	847.33	N/A	Materials	24.11%	1.61%
Wtd Cap (\$b)	13.80	794.02	Financials	33.74%	11.99%
P/E	7.31	24.13	Real Estate	5.59%	2.72%
Beta	0.91	N/A			
Yield (%)	2.15	1.39			
Earnings Growth			<u>Under-weight</u>	<u>DSCO</u>	<u>RU 3000</u>
			Info Technology	0.00%	32.71%
			Health Care	0.00%	10.78%
			Cons. Staples	0.00%	4.35%

**Performance Attribution & Strategy Comments**

The account declined -1.6% which was ahead of all three indices (Russell 3000 Value -2.9%; Russell 3000 -5.8%; S&P 500 -5.6%). The Trump administration imposed 25% tariffs on imports from Mexico and Canada, and signaled further tariffs ahead for other countries which completely rattled the markets. Stocks directly impacted by the new tariff regime fell. The Canadian steelmaker Algoma Steel (-26.2%) declined as half of its production is exported to the US and would be affected by Trump's tariffs. While it is likely that the Canadian government will put retaliatory tariffs which would give the company a monopoly in Canadian-based steel plate production, it is yet unclear what the net impact would be. Harley-Davidson (-2.0%) also declined modestly as the company would also be subject to retaliatory tariffs from the EU where they sell motorcycles. GM (-4.3%) also fell. Other detractors included the construction company Tutor Perini (-21.1%) whose stock price decline is confounding as it is largely shielded from the impact of tariffs on imports. Civitas (-9.0%) fell as oil prices declined. Homebuilders (Beazer -8.6%; Taylor Morrison -2.6%; M/I Homes -2.5%) also dipped down. The decline in the airline Allegiant Travel (-6.0%) and the broader travel sector including the hotel REITs (RLJ Lodging -14.8%; Park Hotels -13.0%) seems to be reflecting a second-order effect of tariffs on the economy, consumer confidence, and labor markets. Gold miner stocks (Eldorado +22.2%; IAMGOLD +13.2%; Centerra +10.4%; Equinox +7.2%) helped to offset the negative performance as gold prices surpassed \$3000 / oz. Some of the insurance names (Siriuspoint +12.7%; Everest +2.9%; Genworth +2.0%; Radian +0.5%) also contributed modestly. We added to Eldorado, Jackson, and M/I Homes, while reducing Equinox, Golar, NMI, Radian, and Unum. Allegiant Travel is a new purchase, a low-cost airline that operates in "underserved communities" to leisure destinations with a robust order book of new narrow-body aircraft which we consider a valuable off-balance sheet asset. Insurance, precious metals, financials, aircraft leasing / airlines, and building / real estate are the largest industry weightings. The portfolio trades at 83% of tangible book value and 6.0x 2-4 year normalized EPS.

**Manager Style Summary**

Donald Smith & Co manages an all-cap portfolio, employing a bottom-up, deep value investment strategy. They invest in stocks with low P/B ratios and which are undervalued given their long-term earnings potential. Consequently, the portfolio will consist of securities with higher dividend yield and lower P/B and P/E ratios relative to the market. This is a concentrated portfolio, consisting of approximately 15-35 issues, and as a result, may experience more volatility than the market.

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**Portfolio Guideline Compliance**

Portfolio Guideline:	DSCO	RU 3000	Calc	Min	Max	Compliance
B2. Security Market Cap (in \$m) > \$100 m @ purchase						ok
B3. Security Positions <= 15% @ purchase						ok
B4. Number of issues	36			15	35	check
B5. Portfolio Characteristics						
P/B	0.83	4.29	19%	30%	100%	check
P/E (1 Year Forward)	7.31	24.13	30%	50%	100%	check
Dividend Yield	2.15	1.39	155%	50%	150%	check
F2. Commissions not to exceed \$0.05/share; explanation required for commissions >\$0.07/share						ok
F3. Annual Turnover	31%			20%	40%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

**Manager Explanations for Deviations from Portfolio Guidelines**

B5. P/B:	Our primary approach is to buy low P/B stocks selling at discounts to tangible book value.
B5. P/E (1 Yr Forward):	We focus on normalized EPS looking out 2-4 years. On this basis, we are significantly below the market.
B5. Dividend Yield:	We focus on stocks with low price-to-tangible-book-values and low P/Es. Based on normalized earnings, these stocks should generate higher dividend yields over the long-term.
B4. Number of Issues:	We manage a concentrated portfolio of stocks, and the number of holdings will mostly fall within this range with some exceptions.

<b>Total Firm Assets Under Management (\$m) as of:</b>	Qtr 1	\$	4,176
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**Organizational/Personnel Changes**

N/A

**Account Turnover**

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):	N/A			