

# Discovery Global Portfolios

## Commentary from **BlackRock**.

**This material is for distribution to professional clients and qualified investors only and should not be relied upon by any other persons.**

### May 2022

The strategy offers three risk-profiled portfolios, the Discovery Global Growth Portfolio, Discovery Global Moderate Portfolio and Discovery Global Conservative Portfolio, and provides clients with a global all-in-one investment solution, comprised of a broad spectrum of asset classes across many geographies. The portfolios consist of an active-passive blend of index trackers and active investment managers that provide a diverse holding across asset classes and geographies – capturing opportunities across the globe. They are managed to achieve sustained, strong returns within a given risk appetite.

## Market review

May witnessed significant intra month volatility. There was plenty of selling across asset classes in the first half of the month driven by aggressive central bank monetary tightening policy, the ongoing war in Ukraine and lockdown in China. Subsequently markets started dialling back expectations of US interest rate rises as a dovish tone evolved from the Fed over the month. Equity risk assets saw some reprieve as traders returned to aggressively buying the dip. Equity markets ended the month largely flat. Value stocks performed the best, growth stocks struggled. Developed market equities and U.S Equities ended the month down -0.2%. Emerging markets ended the month up 0.5% as the relaxation of Covid restrictions in China and signs of regulatory easing boosted investors' confidence. US Treasury yields were buffeted through the month but found some support. Conversely yields in Europe and the UK rose further. US treasuries ended up 0.2% and UK gilts were down -3%. In currencies, the dollar ended the month down -1.5% against the Euro and -0.4% against the Sterling on bets of a possible slowdown in U.S. monetary tightening.

The Fed delivered another rate hike of 50bps in May. At 8.3%, the annual inflation rate in April was down from 8.5% in March. Although the US economy added 390K non-farm payrolls in May of 2022, other economic data showed signs of a weakening economy. The S&P Global US Composite PMI printed 53.6 in May down from 56.0 in April. Slower increases were noted in the manufacturing and service sectors amid supply chain disruptions and hikes in selling prices. On the other side of the Atlantic, Euro area inflation presented an upside surprise jumping to 8.1% in May. ECB President Lagarde signalled the start of rate hikes in July, along with an end to asset purchases early in Q3 2022 and an exit from negative interest rates by the end of Q3 2022.



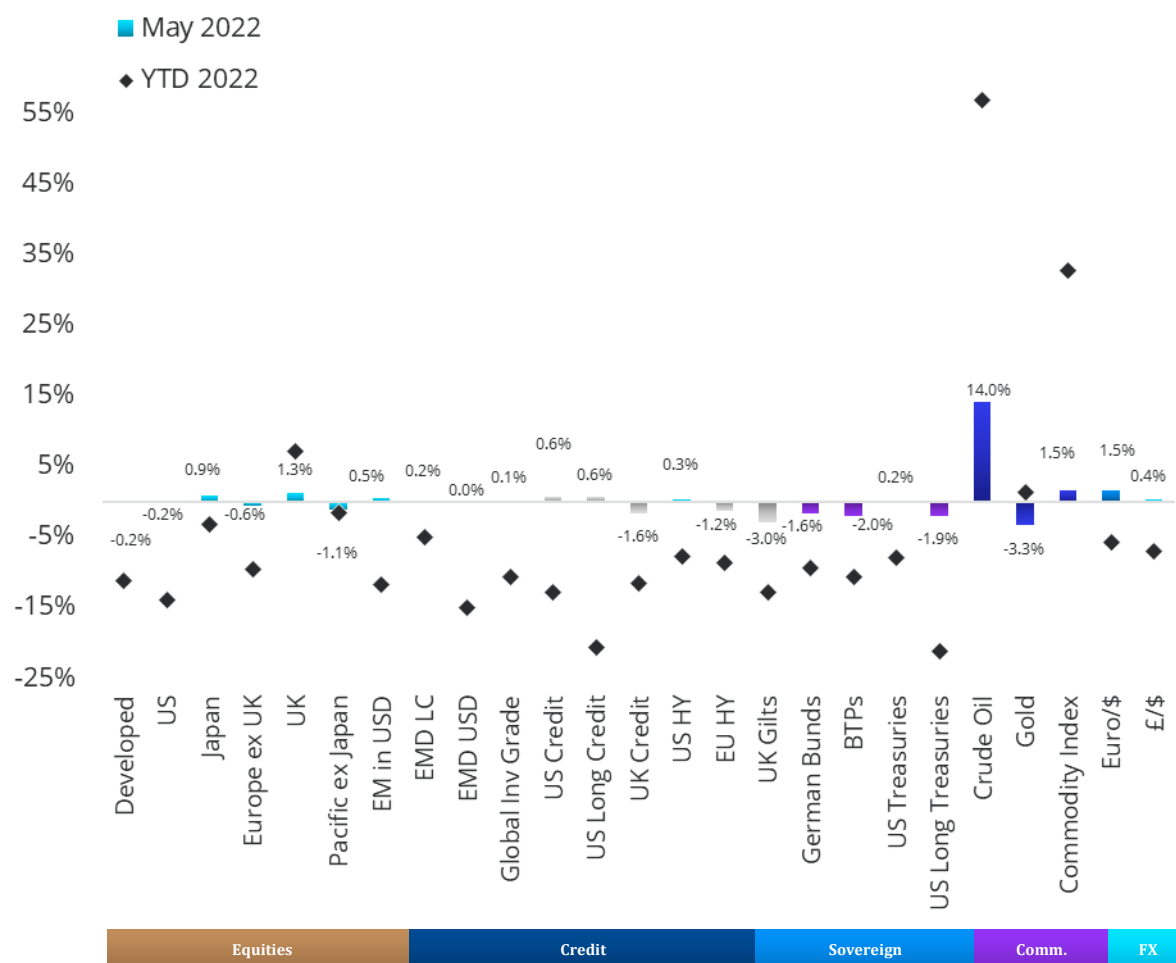
The Bank of England raised the UK base rate to 1% in May. The S&P Global UK Composite PMI printed 53.1 in May well below the 58.2 from the previous month. Firms recorded a slowdown in growth of business activity. Annual inflation rate jumped to 9% in April up from 7% in March, following the increase in government's energy price.

Bond markets managed to stage a moderate pullback in yields and US Treasuries gained. The GDP was confirmed to have contracted in Q1 and both pricing pressures and more aggressive rate hiking have fuelled concerns about further economic slowdown. The month saw 10-year and 2-year nominal rates declining. 10-year yields were down by 4 bps to 2.84% in the US, up by 19 bps to 2.10% in the UK, up by 2 bps to 0.24% in Japan, up by 19 bps to 1.13% in Germany and up by 36 bps to 3.14% in Italy. In the US crude oil was up 14% to \$123 a barrel. Gold eased to \$1845 /ounce down -3.3% as Treasury yields gained some traction instead.

*The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index. Index performance returns do not reflect any management fees, transaction costs or expenses. Source: Multi-Asset Strategies & Solutions, DataStream, all data as of 29 May 2022. All performance numbers in local currency unless otherwise stated.*



# Market performance



The figures shown relate to past performance. Past performance is not a reliable indicator of current or future results. Index performance is shown for illustrative purposes only. You cannot invest directly in an index. Index performance returns do not reflect any management fees, transaction costs or expenses. Source: Multi-Asset Strategies & Solutions, DataStream, all data as of 31 May 2022. All performance numbers in local currency unless otherwise stated.

## Discovery Global Conservative Portfolio

### Monthly commentary

- The Portfolio returned -0.18% over the month. Longer term, Since Inception returns 0.72% p.a.
- After the extreme volatility in April, May saw a relatively muted performance from risky assets. Equity-Bond correlation remained positive during April as both government debt as well as Equity ended the month in red. Within the Equity market a few exceptions such as UK and Japan Equity appreciated over the month.
- Within Fixed Income, government debt was the biggest detractors however shorter and medium dated US treasuries contributed positively. Contributions from credit funds was marginally positive. Within Equity, GQG contributed positively despite US equity returning -0.2%. EM equity also contributed positively. The long position in US dollar was beneficial for the portfolio. In relative space, the portfolio underperformed the



reference benchmark. Most of the underperformance can be attributed to the underperformance of the active managers while asset allocation decision contributing positively.

- Towards the end of May we made a few tactical changes, moving Investment grade to neutral and moving to a hedged exposure for Chinese bonds.
- The portfolio risk stands at 5.8% while active risk is around 1%.

## Asset Allocation

The tables and graphs that follow provide a look-through perspective on active allocations in the fund.

The below table reflects the exposure to each of the underlying assets at the latest reported date. This valuation will reflect market movements since the last portfolio rebalance/trade.

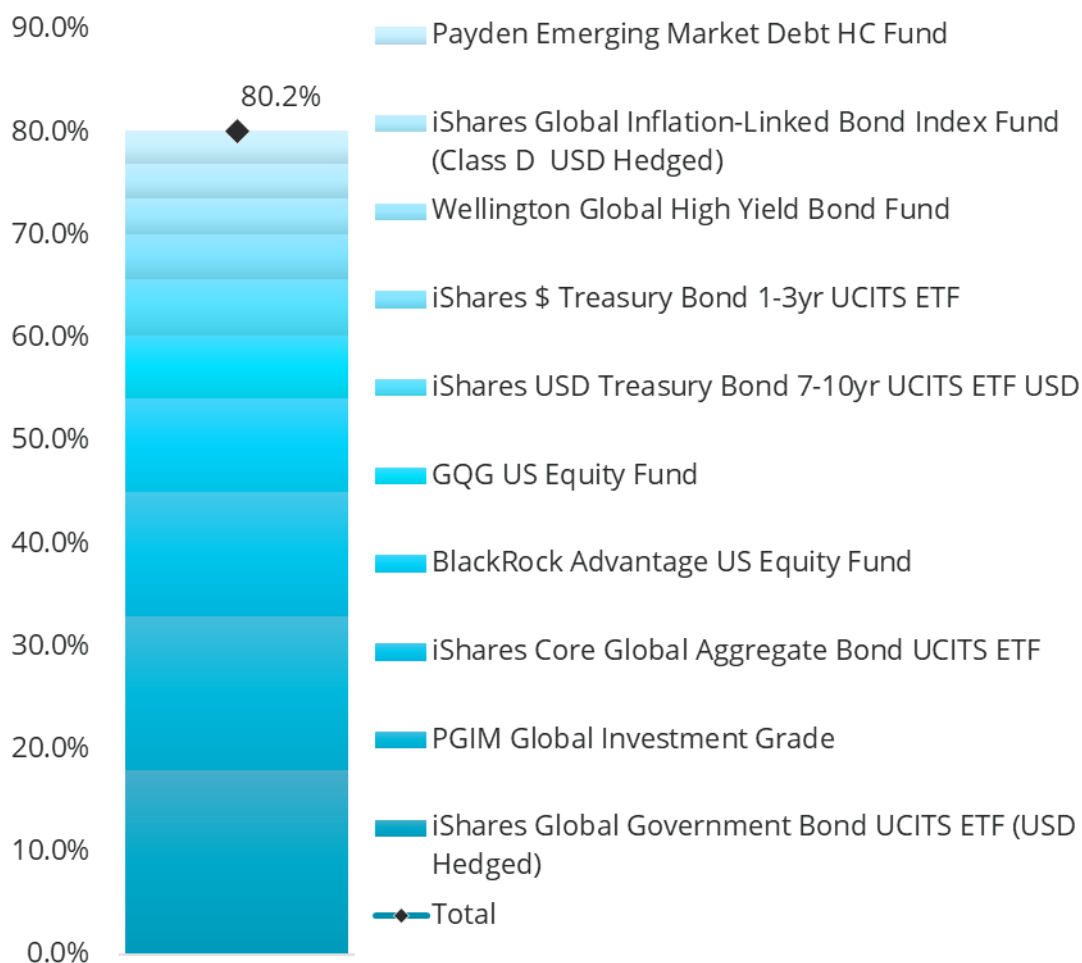
Asset Class		Market Value %		
		29/04/2022	01/06/2022	Change
<b>Equities</b>		<b>25.40%</b>	<b>25.39%</b>	<b>-0.01%</b>
IE00BFZP7V49	BlackRock Advantage US Equity Fund	9.20%	9.2%	-0.02%
LU2049715449	Schroders ISF Emerging Markets Fund	3.10%	3.1%	0.00%
IE00BL5M8925	American Century Global Small Cap Equity Fund	1.00%	1.0%	0.01%
IE00BHZPJ239	iShares MSCI EM ESG Enhanced UCITS ETF	0.70%	0.7%	-0.01%
IE00BN4GYG85	GQG US Equity Fund	6.00%	6.0%	0.01%
IE0005042456	iShares FTSE 100 ETF, USD Un-hedged	1.25%	1.2%	-0.02%
LU2315844121	BGF Continental European Flexible Fund, USD Unhedged	2.10%	2.1%	0.00%
IE00BHZPJ452	iShares MSCI Japan ESG Enhanced UCITS ETF (Unhedged)	2.05%	2.1%	0.02%
<b>Fixed Income</b>		<b>71.40%</b>	<b>72.11%</b>	<b>0.71%</b>
IE00BK7Y2P34	iShares Global Government Bond UCITS ETF (USD Hedged)	18.00%	18.0%	-0.01%
IE00BZ043R46	iShares Core Global Aggregate Bond UCITS ETF	12.00%	12.0%	0.00%
IE00BFLQZJ56	PGIM Global Investment Grade	13.60%	15.0%	1.40%
IE00BL5GZN70	Wellington Global High Yield Bond Fund	3.50%	3.5%	0.02%
IE00BD0NC367	iShares Global Inflation-Linked Bond Index Fund (Class D USD Hedged)	3.30%	3.3%	0.01%
IE00BMY4BK85	Neuberger Berman Emerging Market Debt Local Currency Fund	1.50%	1.5%	0.00%
IE00B3VWN179	iShares \$ Treasury Bond 1-3yr UCITS ETF	5.00%	4.3%	-0.70%
IE00BKT6RT64	iShares China CNY Bond UCITS ETF Agg	0.00%	3.0%	3.01%
IE00BLDGH553	iShares Euro Government Bond Climate UCITS ETF (EUR Unhedged)	2.65%	2.6%	-0.02%
IE00B3VWN518	iShares USD Treasury Bond 7-10yr UCITS ETF USD	4.90%	5.6%	0.69%
IE00BHX5Q577	Payden Emerging Market Debt HC Fund	3.25%	3.3%	0.00%
IE00BKPSFD61	iShares China CNY Bond UCITS ETF (USD Unhedged)	3.70%	0.0%	-3.70%
<b>Factor Strategy</b>		<b>0.65%</b>	<b>0.65%</b>	<b>0.00%</b>
IE00BP3QZB59	iShares Edge MSCI World Value ETF	0.65%	0.6%	0.00%
<b>Commodities</b>		<b>0.70%</b>	<b>0.70%</b>	<b>0.00%</b>
IE00B4ND3602	ISHARES PHYSICAL GOLD	0.70%	0.7%	0.00%
<b>Cash</b>		<b>1.85%</b>	<b>1.15%</b>	<b>-0.70%</b>
IE00BH3Z9035	BlackRock ICS US Dollar Liquid Environmentally Aware Fund Premier	1.85%	1.2%	-0.70%
<b>Total</b>		<b>100.00%</b>	<b>100.00%</b>	

Source: BlackRock, 01 June 2022. Performance and valuations rounded where appropriate, hence totals may not sum.

\*Positions shown are as off end of the month and included market drift from the last rebalance.



### TOP 10 holdings



Source: BlackRock 01 June 2022



## Performance contribution

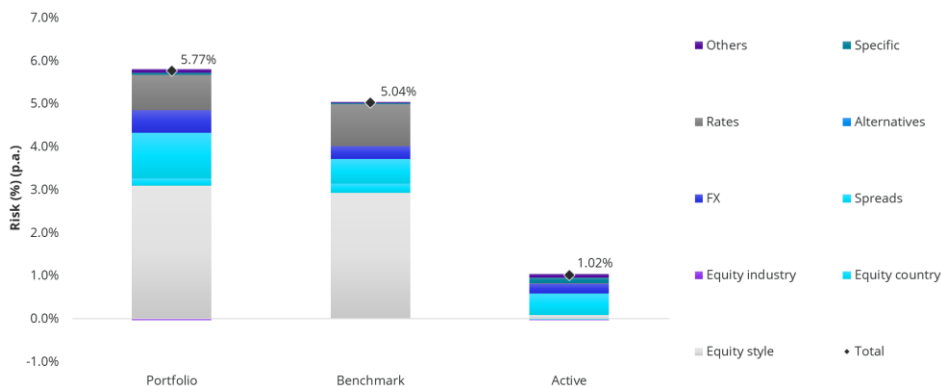
Performance contribution identifies how much of the total portfolio performance has been contributed from the underlying investments. Performance is shown in basis points below.

	MTD(%)	YTD(%)
<b>Equities</b>	<b>-0.03%</b>	<b>-3.78%</b>
BlackRock Advantage US Equity Fund	-0.19%	-1.06%
American Century Global Small Cap Equity Fund	-0.06%	-0.41%
BGF Continental European Flexible Fund, USD Unhedged	-0.04%	-0.04%
iShares MSCI Japan ESG Enhanced UCITS ETF (Unhedged)	0.00%	0.00%
BGF Continental European Flexible Fund (Class D2 USD Hedged)	0.00%	-0.56%
iShares MSCI Japan ESG Enhanced UCITS ETF	0.00%	-0.30%
iShares FTSE 100 ETF (USD Hedged Acc)	0.00%	0.04%
iShares MSCI USA ESG Enhanced UCITS ETF	0.00%	-0.99%
iShares MSCI EM ESG Enhanced UCITS ETF	0.00%	-0.11%
iShares FTSE 100 ETF, USD Un-hedged	0.02%	0.01%
Schroders ISF Emerging Markets Fund	0.02%	-0.57%
GQG US Equity Fund	0.23%	0.21%
<b>Fixed Income</b>	<b>-0.15%</b>	<b>-5.43%</b>
iShares Global Inflation-Linked Bond Index Fund (Class D USD Hedged)	-0.12%	-0.43%
iShares Global Government Bond UCITS ETF (USD Hedged)	-0.09%	-0.62%
iShares Core Global Aggregate Bond UCITS ETF	-0.02%	-0.76%
Wellington Global High Yield Bond Fund	-0.01%	-0.29%
iShares Euro Government Bond Climate UCITS ETF (EUR Unhedged)	-0.01%	-0.01%
iShares China CNY Bond UCITS ETF (USD Unhedged)	0.00%	0.00%
Ashmore SICAV Emerging Market Debt Fund	0.00%	-0.80%
iShares \$ Corp Bond 0-3yr ESG UCITS ETF	0.00%	-0.14%
Payden Emerging Market Debt HC Fund	0.01%	0.01%
PGIM Global Investment Grade	0.01%	-1.91%
iShares USD Treasury Bond 7-10yr UCITS ETF USD	0.03%	0.02%
iShares \$ Treasury Bond 1-3yr UCITS ETF	0.03%	-0.30%
Neuberger Berman Emerging Market Debt Local Currency Fund	0.03%	-0.20%
<b>Factors Strategy</b>	<b>0.02%</b>	<b>-0.02%</b>
iShares Edge MSCI World Value ETF	0.02%	-0.02%
<b>Commodities</b>	<b>-0.02%</b>	<b>-0.03%</b>
ISHARES PHYSICAL GOLD	-0.02%	-0.03%
<b>Cash</b>	<b>0.00%</b>	<b>0.00%</b>
BlackRock ICS US Dollar Liquid Environmentally Aware Fund Premier	0.00%	0.00%
<b>Total</b>	<b>-0.18%</b>	<b>-9.25%</b>

## Risk Review | Absolute & Relative

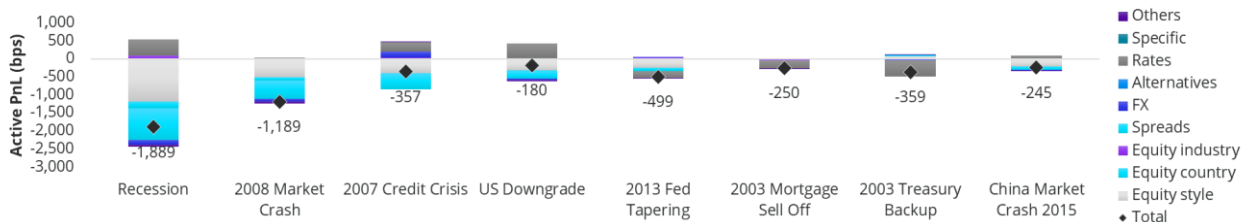
The below graph focuses on Factor risk decomposition. Specifically, the analysis shows a risk factor decomposition of the current portfolio based on the past 230 exponentially-weighted months.

### Risk Decomposition





### Historical scenarios



### Forward-looking scenarios




Source: BlackRock 31 May 2022

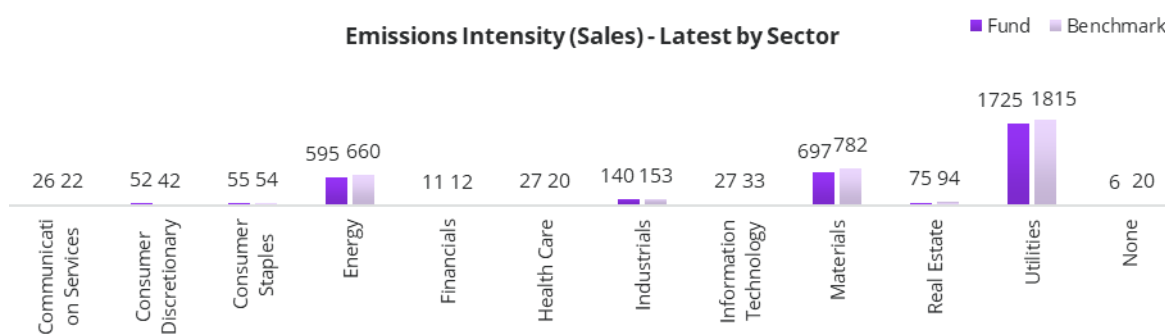
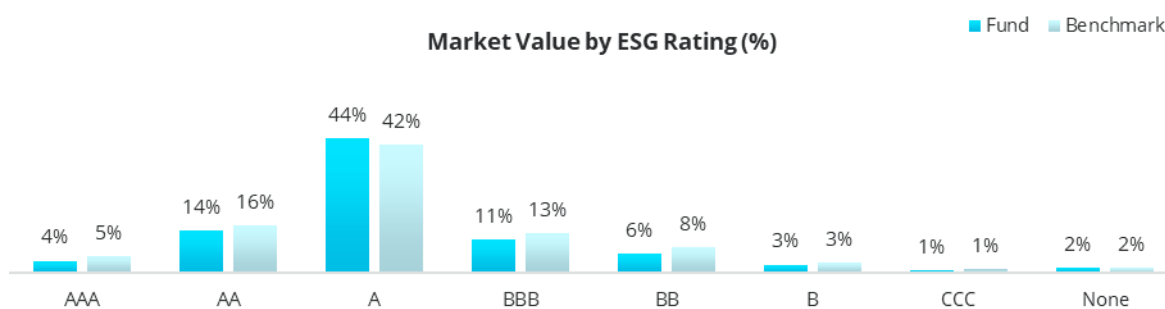
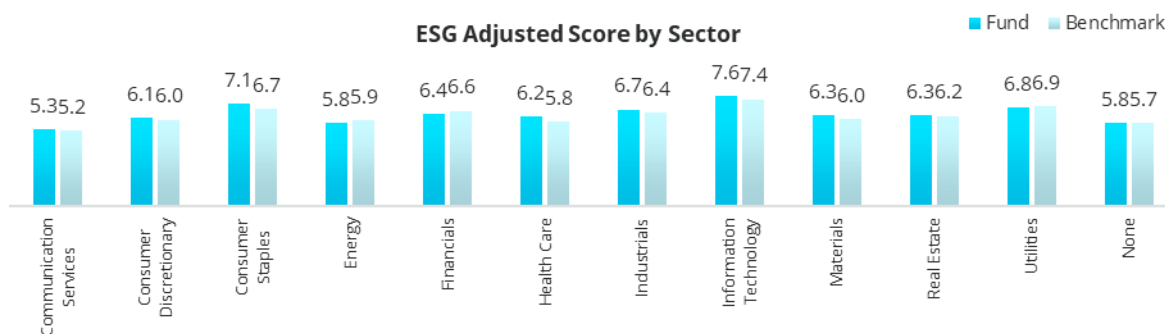


## ESG (Environmental, social, and governance) review: Carbon and ESG exposure

The following refers to the portfolio's carbon and ESG exposure based on its underlying holdings. Aggregation at the total portfolio level has been done using BlackRock-approved methodology, which is explained at the end of the document. ESG data for individual funds and securities was sourced from MSCI.

		Portfolio	Benchmark	Active				
ESG	<b>ESG Coverage</b>	82.9%	89.2%					
	% Market Value							
	<b>ESG Adjusted Score</b>	6.1	6.1	0.0				
	0 (worst) - 10 (best)							
	<b>Environment Score</b>	5.8	5.6	0.2				
	0 (worst) - 10 (best)							
<b>Social Score</b>	6.6	6.4	0.1					
0 (worst) - 10 (best)								
<b>Governance Score</b>	5.7	5.8	-0.1					
0 (worst) - 10 (best)								
<b>Active Risk Contribution by ESG Rating (bps)</b>				517				
	-42	-92	-147	-87	-39	-16	-4	
	AAA	AA	A	BBB	BB	B	CCC	None
Carbon	 <b>BLACKROCK®</b>	Fund	Benchmark	Active				
	<b>Emissions Intensity (Tot. Capital) - Latest</b>	91.7	102.1	-10.2%				
	(metric tonnes / \$ million total capital)							
<b>Emissions Intensity (Sales) - Latest</b>	176.6	183.3	-3.6					
(metric tonnes / \$ million total sales)								





ESG data for funds and individual securities has been sourced from MSCI. Aggregation at the sleeve/ total portfolio level has been done using BlackRock approved methodology.

Additional Information can be found in the Glossary slides

## Discovery Global Moderate Portfolio

### Monthly commentary

- The Portfolio returned -0.48% over the month. Longer term, Since Inception returns 3.3% p.a.
- After the extreme volatility in April, May saw a relatively muted performance from risky assets. Equity-Bond correlation remained positive during April as both government debt as well as Equity ended the month in red. Within the Equity market a few exceptions such as UK and Japan Equity appreciated over the month.
- Within Fixed Income, government debt was the biggest detractors however shorter and medium dated US treasuries contributed positively. Contributions from credit funds was marginally positive. Within Equity, GQG contributed positively despite US equity returning -0.2%. EM equity also contributed positively. The long



position in US dollar was beneficial for the portfolio. In relative space, the portfolio underperformed the reference benchmark. Most of the underperformance can be attributed to the underperformance of the active managers while asset allocation decision contributing positively.

- Towards the end of May we made a few tactical changes, moving Investment grade to neutral and moving to a hedged exposure for Chinese bonds.
- The portfolio risk stands at 9.1% while active risk is around 1%.

## Asset Allocation

The tables and graphs that follow provide a look-through perspective on active allocations in the fund.

The below table reflects the exposure to each of the underlying assets at the latest reported date. This valuation will reflect market movements since the last portfolio rebalance/trade.

Asset Class		Market Value %		
		29/04/2022	01/06/2022	Change
<b>Equities</b>		<b>50.25%</b>	<b>50.20%</b>	<b>-0.05%</b>
IE00BHZPJ908	iShares MSCI USA ESG Enhanced UCITS ETF	10.00%	9.94%	-0.06%
IE00BFZP7V49	BlackRock Advantage US Equity Fund	12.40%	12.38%	-0.02%
LU2049715449	Schroders ISF Emerging Markets Fund	6.40%	6.40%	0.00%
IE00BL5M8925	American Century Global Small Cap Equity Fund	1.75%	1.76%	0.01%
IE00BHZPJ239	iShares MSCI EM ESG Enhanced UCITS ETF	1.00%	0.99%	-0.01%
IE00BN4GYG85	GQG US Equity Fund	8.00%	8.02%	0.02%
IE0005042456	iShares FTSE 100 ETF, USD Un-hedged	2.20%	2.17%	-0.03%
LU2315844121	BGF Continental European Flexible Fund, USD Unhedged	4.70%	4.69%	-0.01%
IE00BHZPJ452	iShares MSCI Japan ESG Enhanced UCITS ETF (Unhedged)	3.80%	3.84%	0.04%
<b>Fixed Income</b>		<b>45.70%</b>	<b>46.74%</b>	<b>1.04%</b>
IE00BK7Y2P34	iShares Global Government Bond UCITS ETF (USD Hedged)	11.00%	11.00%	0.00%
IE00BZ043R46	iShares Core Global Aggregate Bond UCITS ETF	7.50%	7.51%	0.01%
IE00BFLQZJ56	PGIM Global Investment Grade	7.50%	9.51%	2.01%
IE00BL5GZN70	Wellington Global High Yield Bond Fund	3.50%	3.53%	0.03%
IE00BD0NC367	iShares Global Inflation-Linked Bond Index Fund (Class D USD Hedged)	2.10%	2.11%	0.01%
IE00BKT6RT64	iShares China CNY Bond UCITS ETF Agg	0.00%	2.01%	2.01%
IE00BMY4BK85	Neuberger Berman Emerging Market Debt Local Currency Fund	1.50%	1.50%	0.00%
IE00B3VWN179	iShares \$ Treasury Bond 1-3yr UCITS ETF	3.00%	2.00%	-1.00%
IE00BLDGH553	iShares Euro Government Bond Climate UCITS ETF (EUR Unhedged)	1.50%	1.49%	-0.01%
IE00B3VWN518	iShares USD Treasury Bond 7-10yr UCITS ETF USD	1.10%	2.10%	1.00%
IE00BHX5Q577	Payden Emerging Market Debt HC Fund	4.00%	4.00%	0.00%
IE00BKPSFD61	iShares China CNY Bond UCITS ETF (USD Unhedged)	3.00%	0.00%	-3.00%
<b>Factor Strategy</b>		<b>1.25%</b>	<b>1.25%</b>	<b>0.00%</b>
IE00BP3QZB59	iShares Edge MSCI World Value ETF	1.25%	1.25%	0.00%
<b>Commodities</b>		<b>1.00%</b>	<b>1.00%</b>	<b>0.00%</b>
IE00B4ND3602	ISHARES PHYSICAL GOLD	1.00%	1.00%	0.00%
<b>Cash</b>		<b>1.80%</b>	<b>0.80%</b>	<b>-1.00%</b>
IE00BH3Z9035	BlackRock ICS US Dollar Liquid Environmentally Aware Fund Premier	1.80%	0.80%	-1.00%
<b>Total</b>		<b>100.00%</b>	<b>100.00%</b>	

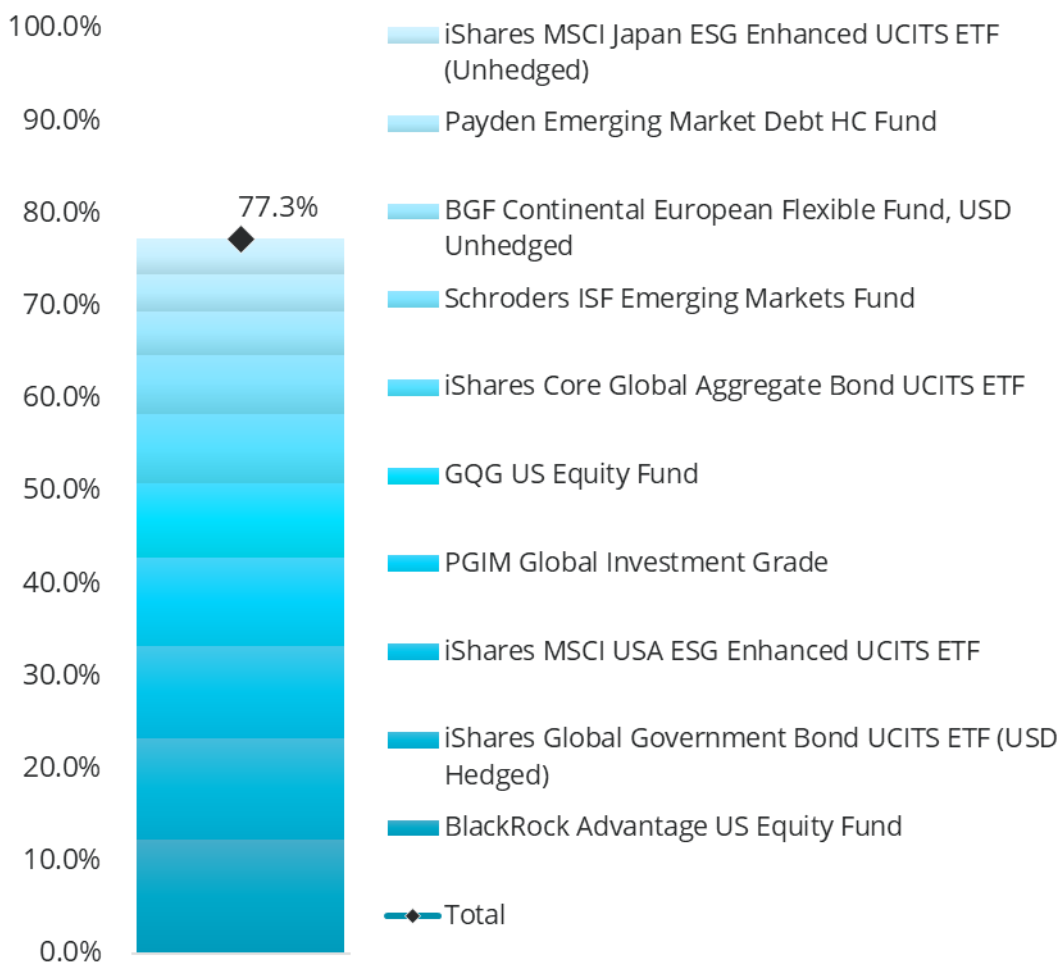
Source: BlackRock, 01 June 2022. Performance and valuations rounded where appropriate, hence totals may not sum.

\*Positions shown are as off end of the month and included market drift from the last rebalance.



## TOP 10 holdings

The following make up the top 10 holdings of the portfolio.



Source: BlackRock 01 June 2022



## Performance contribution

**Performance Contribution** identifies how much of the total portfolio performance has been contributed from the underlying investments.

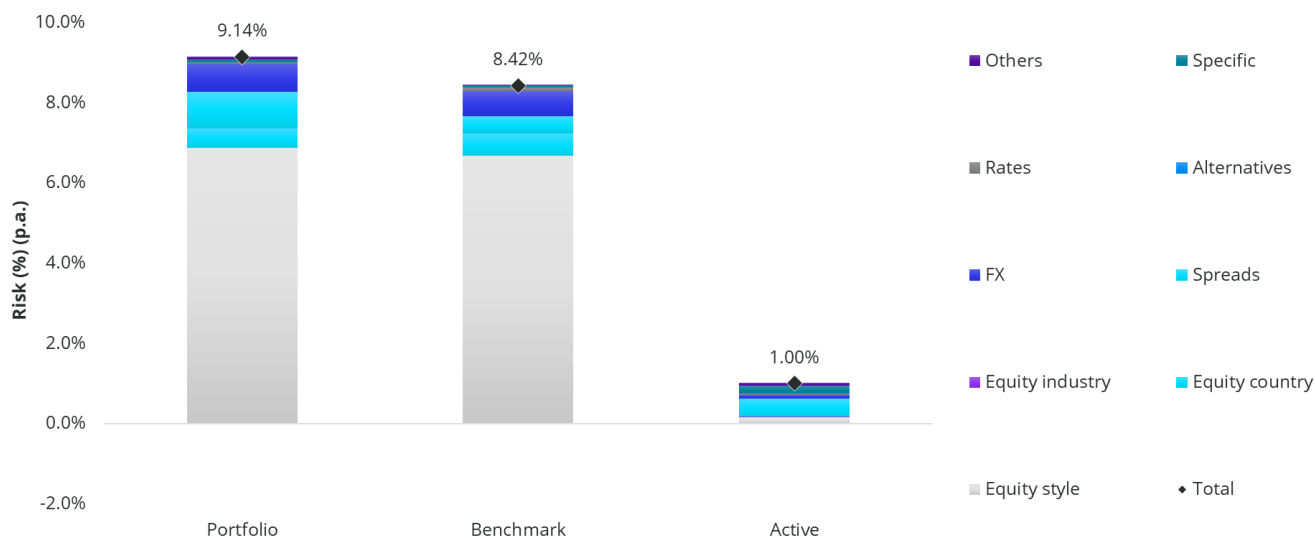
	MTD(%)	YTD(%)
<b>Equities</b>	<b>-0.39%</b>	<b>-6.81%</b>
iShares MSCI USA ESG Enhanced UCITS ETF	-0.30%	-2.01%
BlackRock Advantage US Equity Fund	-0.26%	-1.80%
American Century Global Small Cap Equity Fund	-0.11%	-0.62%
BGF Continental European Flexible Fund, USD Unhedged	-0.10%	-0.09%
iShares MSCI Japan ESG Enhanced UCITS ETF (Unhedged)	0.00%	0.00%
BGF Continental European Flexible Fund (Class D2 USD Hedged)	0.00%	-1.01%
iShares MSCI Japan ESG Enhanced UCITS ETF	0.00%	-0.52%
iShares FTSE 100 ETF (USD Hedged Acc)	0.00%	0.06%
iShares MSCI EM ESG Enhanced UCITS ETF	0.01%	-0.16%
iShares FTSE 100 ETF, USD Un-hedged	0.03%	0.03%
Schroders ISF Emerging Markets Fund	0.04%	-0.96%
GQG US Equity Fund	0.30%	0.27%
<b>Fixed Income</b>	<b>-0.09%</b>	<b>-4.16%</b>
iShares Global Inflation-Linked Bond Index Fund (Class D USD Hedged)	-0.07%	-0.18%
iShares Global Government Bond UCITS ETF (USD Hedged)	-0.05%	-0.66%
Wellington Global High Yield Bond Fund	-0.01%	-0.29%
iShares Core Global Aggregate Bond UCITS ETF	-0.01%	-0.63%
iShares Euro Government Bond Climate UCITS ETF (EUR Unhedged)	-0.01%	-0.01%
iShares China CNY Bond UCITS ETF (USD Unhedged)	0.00%	0.00%
Ashmore SICAV Emerging Market Debt Fund	0.00%	-0.93%
iShares \$ Corp Bond 0-3yr ESG UCITS ETF	0.00%	-0.07%
iShares USD Treasury Bond 7-10yr UCITS ETF USD	0.01%	0.01%
PGIM Global Investment Grade	0.01%	-1.05%
Payden Emerging Market Debt HC Fund	0.01%	0.01%
iShares \$ Treasury Bond 1-3yr UCITS ETF	0.02%	-0.12%
Neuberger Berman Emerging Market Debt Local Currency Fund	0.03%	-0.23%
<b>Factors Strategy</b>	<b>0.03%</b>	<b>-0.02%</b>
iShares Edge MSCI World Value ETF	0.03%	-0.02%
<b>Commodities</b>	<b>-0.03%</b>	<b>-0.04%</b>
ISHARES PHYSICAL GOLD	-0.03%	-0.04%
<b>Cash</b>	<b>0.00%</b>	<b>0.00%</b>
BlackRock ICS US Dollar Liquid Environmentally Aware Fund Premier	0.00%	0.00%
<b>Total</b>	<b>-0.48%</b>	<b>-11.02%</b>

Source: BlackRock, 31 May 2022. Performance and valuations rounded where appropriate, hence totals may not sum



## Risk Review: Absolute and Relative

The below graph focuses on Factor risk decomposition. Specifically, the analysis shows a risk factor decomposition of the current portfolio and the active risk based on the past 230 exponentially-weighted months.



BlackRock, 31 May 2022.

Based on 230 exponentially-weighted monthly data points (36 month half life).

In the above:

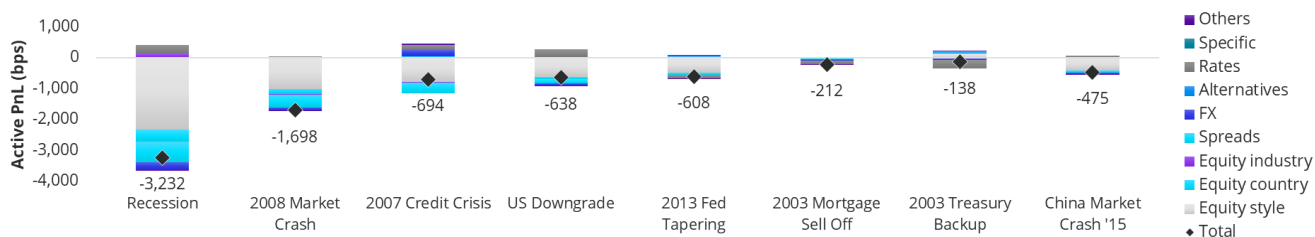
- Equity measures the contribution to risk from holding equities in the portfolio. This is split between the style of equity, the country, and the industry to which the equity belongs.
- Spreads measures the contribution to risk from holding corporate bonds and swaps in the portfolio.
- Foreign exchange measures the contribution to risk from unhedged currency exposure.
- Alternatives measures the contribution to risk from holding alternative asset classes such as property, hedge funds or illiquid assets.
- Rates illustrates the risk of the values of the assets changing when there is a change to the level of interest rates.
- Specific measures idiosyncratic risk due to the unique circumstances of a particular security and not the market as a whole.
- Others measures risks that are not attributed to any of the factors listed above. It includes, but is not limited to, risks attributed to convexity, cash and cash equivalents.



## Risk analysis: Scenario analysis

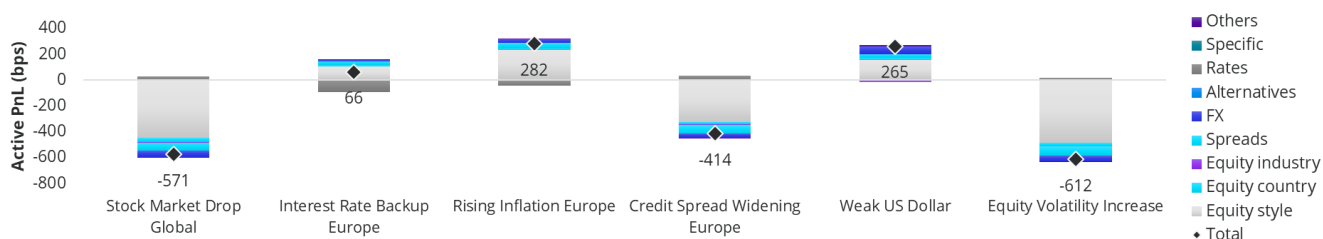
The charts below apply to different historical and forward-looking scenarios to the current portfolio. For further explanations of the scenarios, please refer to the end of the document.

### Historical scenarios



BlackRock, 31 May 2022. 1bps refers to 0.01%

### Forward-looking scenarios




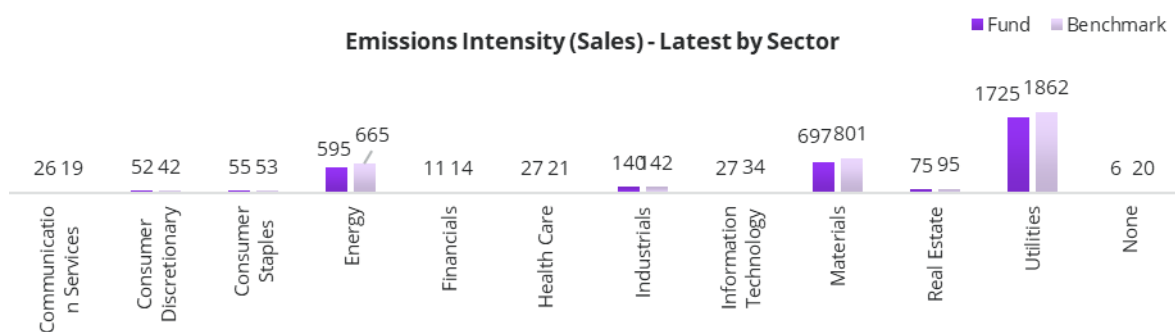
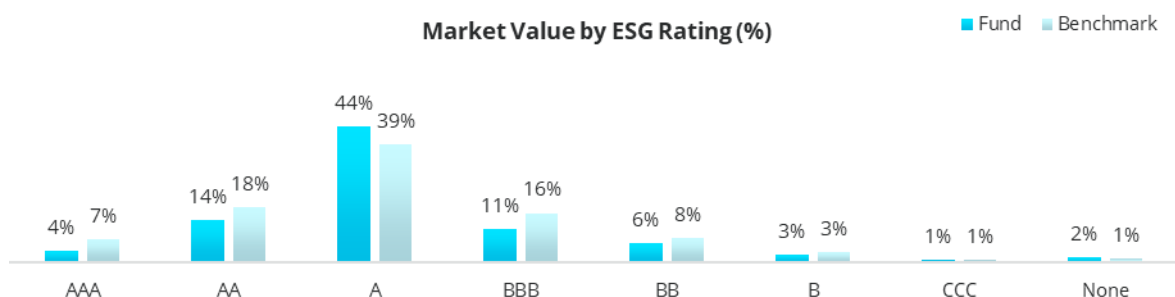
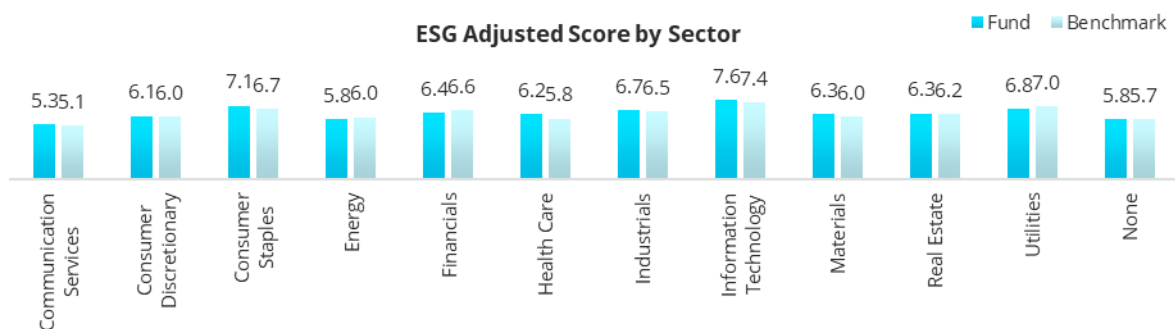
BlackRock, 31 May 2022. 1bps refers to 0.01%



## ESG (Environmental, social, and governance) review: Carbon and ESG exposure

The following refers to the portfolio's carbon and ESG exposure based on its underlying holdings. Aggregation at the total portfolio level has been done using BlackRock-approved methodology, which is explained at the end of the document. ESG data for individual funds and securities was sourced from MSCI.

		Portfolio	Benchmark	Active				
ESG	<b>ESG Coverage</b> % Market Value	82.9%	92.6%					
	<b>ESG Adjusted Score</b> 0 (worst) - 10 (best)	6.1	6.2	-0.2				
	<b>Environment Score</b> 0 (worst) - 10 (best)	5.8	5.9	-0.1				
	<b>Social Score</b> 0 (worst) - 10 (best)	6.6	6.0	0.6				
	<b>Governance Score</b> 0 (worst) - 10 (best)	5.7	5.5	0.2				
	<b>Active Risk Contribution by ESG Rating (bps)</b>				517			
	-42	-92	-147	-87	-39	-16	-4	
	AAA	AA	A	BBB	BB	B	CCC	None
Carbon	 <b>BLACKROCK®</b>	Fund	Benchmark	Active				
	<b>Emissions Intensity (Tot. Capital) - Latest</b> (metric tonnes / \$ million total capital)	91.7	103.9	-11.8%				
	<b>Emissions Intensity (Sales) - Latest</b> (metric tonnes / \$ million total sales)	176.6	179.0	-1.3%				



ESG data for funds and individual securities has been sourced from MSCI. Aggregation at the sleeve/ total portfolio level has been done using BlackRock approved methodology.

Additional Information can be found in the Glossary slides

## Discovery Global Growth Portfolio

### Monthly commentary

- The Portfolio returned -0.71% over the month. Longer term, Since Inception returns 5.8% p.a.
- After the extreme volatility in April, May saw a relatively muted performance from risky assets. Equity-Bond correlation remained positive during April as both government debt as well as Equity ended the month in red. Within the Equity market a few exceptions such as UK and Japan Equity appreciated over the month.
- Within Fixed Income, government debt was the biggest detractors however shorter and medium dated US treasuries contributed positively. Contributions from credit funds was marginally positive. Within Equity, GQG contributed positively despite US equity returning -0.2%. EM equity also contributed positively. The long position in US dollar was beneficial for the portfolio. In relative space, the portfolio underperformed the





reference benchmark. Most of the underperformance can be attributed to the underperformance of the active managers while asset allocation decision contributing positively.

- Towards the end of May we made a few tactical changes, moving Investment grade to neutral and moving to a hedged exposure for Chinese bonds.
- The portfolio risk stands at 12.85% while active risk is around 1.1%.

## Asset Allocation

The tables and graphs that follow provide a look-through perspective on active allocations in the fund.

The below table reflects the exposure to each of the underlying assets at the latest reported date. This valuation will reflect market movements since the last portfolio rebalance/trade.

Asset Class		Market Value %		
		29/04/2022	01/06/2022	Change
<b>Equities</b>		<b>75.1%</b>	<b>75.0%</b>	<b>-0.1%</b>
IE00BHZPJ908	iShares MSCI USA ESG Enhanced UCITS ETF	19.0%	18.9%	-0.1%
IE00BFZP7V49	BlackRock Advantage US Equity Fund	16.3%	16.3%	0.0%
LU2049715449	Schroders ISF Emerging Markets Fund	9.4%	9.4%	0.0%
IE00BL5M8925	American Century Global Small Cap Equity Fund	2.6%	2.6%	0.0%
IE00BHZPJ239	iShares MSCI EM ESG Enhanced UCITS ETF	1.3%	1.3%	0.0%
IE00BN4GYG85	GQG US Equity Fund	10.5%	10.5%	0.0%
IE0005042456	iShares FTSE 100 ETF, USD Un-hedged	3.3%	3.2%	0.0%
LU2315844121	BGF Continental European Flexible Fund, USD Unhedged	7.2%	7.2%	0.0%
IE00BHZPJ452	iShares MSCI Japan ESG Enhanced UCITS ETF (Unhedged)	5.6%	5.6%	0.1%
<b>Fixed Income</b>		<b>20.0%</b>	<b>21.4%</b>	<b>1.4%</b>
IE00BK7Y2P34	iShares Global Government Bond UCITS ETF (USD Hedged)	2.0%	2.0%	0.0%
IE00BL5GZN70	Wellington Global High Yield Bond Fund	3.5%	3.5%	0.0%
IE00B3VWN179	iShares \$ Treasury Bond 1-3yr UCITS ETF	1.2%	0.0%	-1.2%
IE00BFLQZJ56	PGIM Global Investment Grade	1.2%	3.8%	2.6%
IE00B3VWN518	iShares USD Treasury Bond 7-10yr UCITS ETF USD	0.0%	1.3%	1.3%
IE00BKT6RT64	iShares China CNY Bond UCITS ETF Agg	0.0%	0.8%	0.8%
IE00BD0NC367	iShares Global Inflation-Linked Bond Index Fund (Class D USD Hedged)	0.8%	0.8%	0.0%
IE00BMY4BK85	Neuberger Berman Emerging Market Debt Local Currency Fund	1.5%	1.5%	0.0%
IE00BH5Q577	Payden Emerging Market Debt HC Fund	4.8%	4.8%	0.0%
IE00BKPSFD61	iShares China CNY Bond UCITS ETF (USD Unhedged)	2.1%	0.0%	-2.1%
IE00BZ043R46	iShares Core Global Aggregate Bond UCITS ETF	3.0%	3.0%	0.0%
<b>Factor Strategy</b>		<b>1.9%</b>	<b>1.9%</b>	<b>0.0%</b>
IE00BP3QZB59	iShares Edge MSCI World Value ETF	1.9%	1.9%	0.0%
<b>Commodities</b>		<b>1.3%</b>	<b>1.3%</b>	<b>0.0%</b>
IE00B4ND3602	ISHARES PHYSICAL GOLD	1.3%	1.3%	0.0%
<b>Cash</b>		<b>1.8%</b>	<b>0.4%</b>	<b>-1.4%</b>
IE00BH3Z9035	BlackRock ICS US Dollar Liquid Environmentally Aware Fund Premier	1.8%	0.4%	-1.4%
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>	

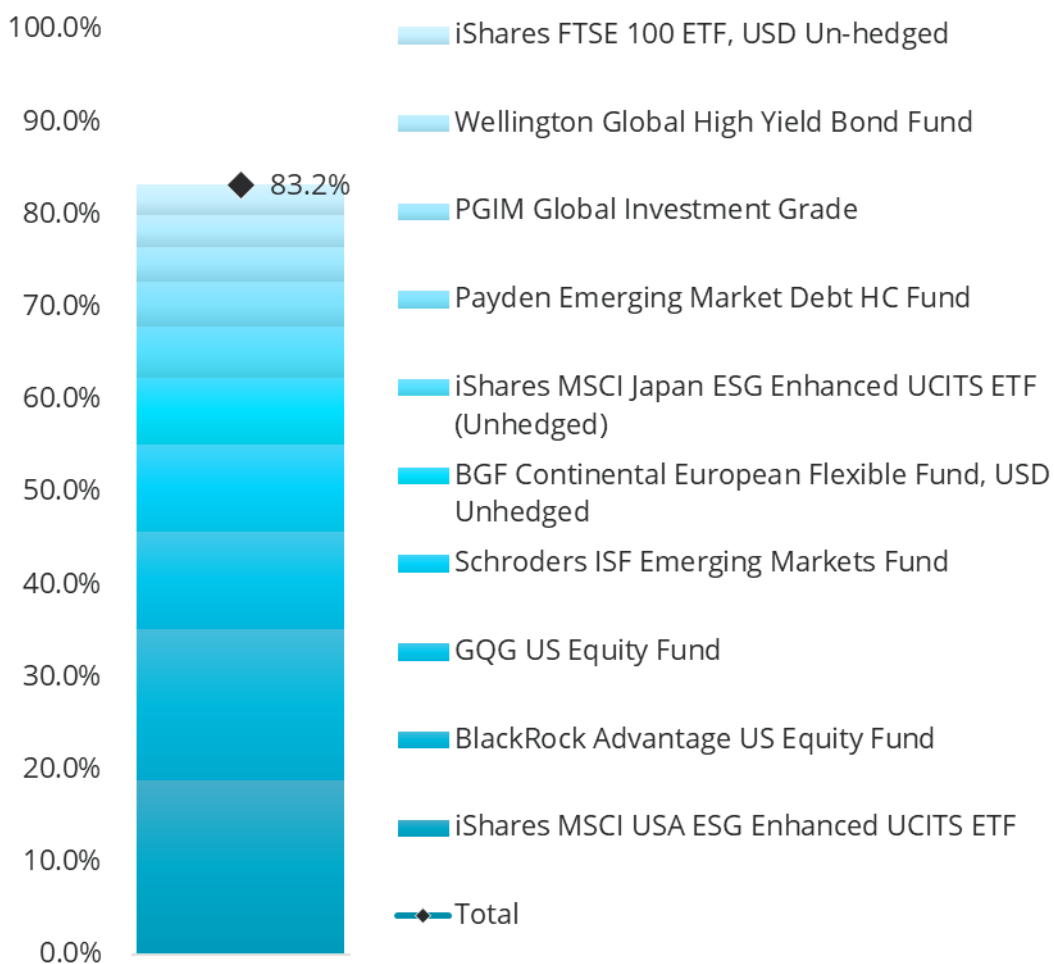
Source: BlackRock, 01 June 2022. Performance and valuations rounded where appropriate, hence totals may not sum.

\*Positions shown are as off end of the month and included market drift from the last rebalance.



## TOP 10 holdings

The following make up the top 10 holdings of the portfolio.



Source: BlackRock 01 June 2022



## Performance contribution

Performance Contribution identifies how much of the total portfolio performance has been contributed from the underlying investments.

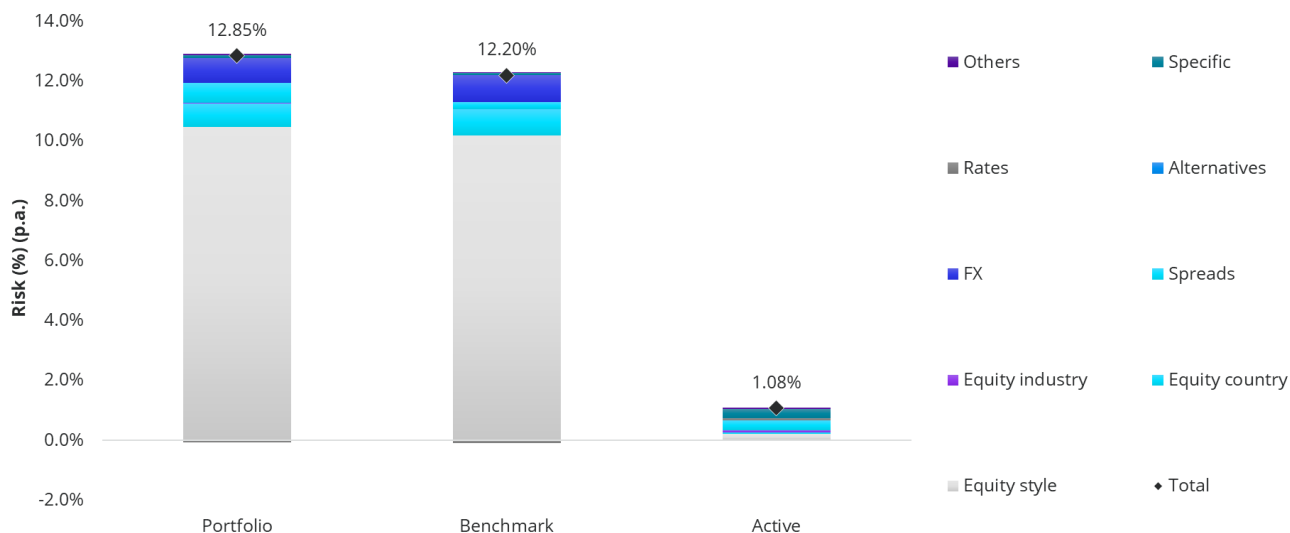
	MTD(%)	YTD(%)
<b>Equities</b>	<b>-0.72%</b>	<b>-9.38%</b>
iShares MSCI USA ESG Enhanced UCITS ETF	-0.58%	-2.89%
BlackRock Advantage US Equity Fund	-0.34%	-2.45%
American Century Global Small Cap Equity Fund	-0.16%	-0.81%
BGF Continental European Flexible Fund, USD Unhedged	-0.15%	-0.13%
iShares MSCI Japan ESG Enhanced UCITS ETF (Unhedged)	0.00%	0.00%
BGF Continental European Flexible Fund (Class D2 USD Hedged)	0.00%	-1.37%
iShares MSCI Japan ESG Enhanced UCITS ETF	0.00%	-0.69%
iShares FTSE 100 ETF (USD Hedged Acc)	0.00%	0.08%
iShares MSCI EM ESG Enhanced UCITS ETF	0.01%	-0.21%
iShares FTSE 100 ETF, USD Un-hedged	0.04%	0.04%
Schroders ISF Emerging Markets Fund	0.05%	-1.30%
GQG US Equity Fund	0.40%	0.35%
<b>Fixed Income</b>	<b>0.00%</b>	<b>-2.95%</b>
iShares Global Inflation-Linked Bond Index Fund (Class D USD Hedged)	-0.03%	-0.11%
Wellington Global High Yield Bond Fund	-0.01%	-0.29%
iShares Global Government Bond UCITS ETF (USD Hedged)	-0.01%	-0.47%
iShares Core Global Aggregate Bond UCITS ETF	0.00%	0.00%
iShares China CNY Bond UCITS ETF (USD Unhedged)	0.00%	0.00%
Ashmore SICAV Emerging Market Debt Fund	0.00%	-1.09%
iShares \$ Corp Bond 0-3yr ESG UCITS ETF	0.00%	-0.05%
PGIM Global Investment Grade	0.00%	-0.64%
iShares \$ Treasury Bond 1-3yr UCITS ETF	0.01%	-0.06%
Payden Emerging Market Debt HC Fund	0.01%	0.01%
Neuberger Berman Emerging Market Debt Local Currency Fund	0.03%	-0.25%
<b>Factors Strategy</b>	<b>0.05%</b>	<b>-0.02%</b>
iShares Edge MSCI World Value ETF	0.05%	-0.02%
<b>Commodities</b>	<b>-0.04%</b>	<b>-0.05%</b>
ISHARES PHYSICAL GOLD	-0.04%	-0.05%
<b>Cash</b>	<b>0.00%</b>	<b>0.00%</b>
BlackRock ICS US Dollar Liquid Environmentally Aware Fund Premier	0.00%	0.00%
<b>Total</b>	<b>-0.71%</b>	<b>-12.40%</b>

Source: BlackRock, 31 May 2022. Performance and valuations rounded where appropriate, hence totals may not sum



## Risk review: Absolute and Relative

The below graph focuses on Factor risk decomposition. Specifically, the analysis shows a risk factor decomposition of the current portfolio and the active risk based on the past 230 exponentially-weighted months.



BlackRock, 31 May 2022.

Based on 230 exponentially-weighted monthly data points(36 month half life).

In the above:

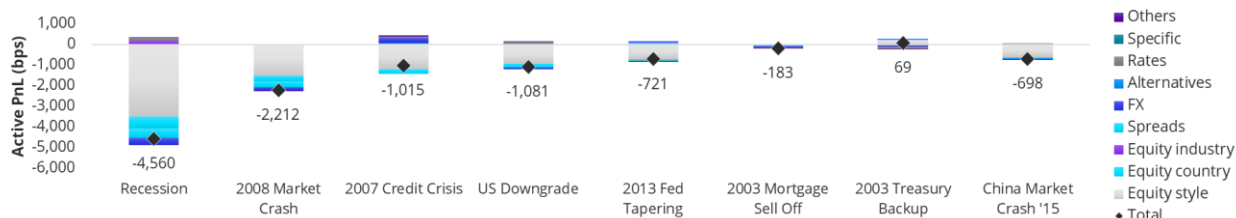
- Equity measures the contribution to risk from holding equities in the portfolio. This is split between the style of equity, the country and the industry to which the equity belongs.
- Spreads measures the contribution to risk from holding corporate bonds and swaps in the portfolio.
- Foreign exchange measures the contribution to risk from unhedged currency exposure
- Alternatives measures the contribution to risk from holding alternative asset classes such as property, hedge funds or illiquid assets.
- Rates illustrates the risk of the values of the assets changing when there is a change to the level of interest rates.
- Specific measures idiosyncratic risk due to the unique circumstances of a particular security and not the market as a whole.
- Others measures risks that are not attributed to any of the factors listed above. It includes, but is not limited to, risks attributed to convexity, cash, and cash equivalents.



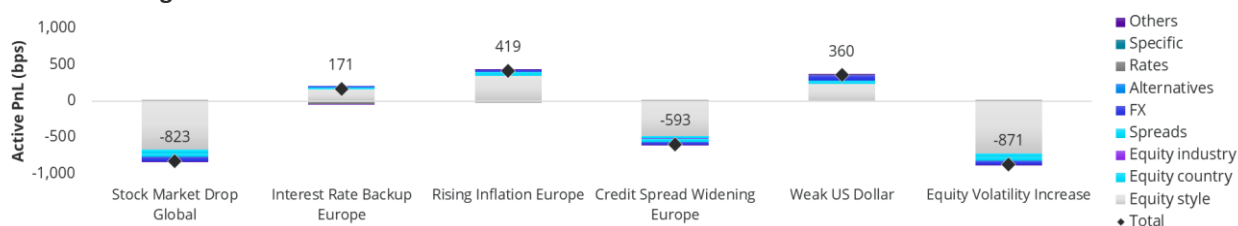
## Risk review: Scenario analysis

The charts below apply different historical and forward-looking scenarios to the current portfolio. For additional information on the forward-looking scenarios, please refer to the appendix.

### Historical scenarios



### Forward-looking scenarios




BlackRock, 31 May 2022. 1bps refers to 0.01%



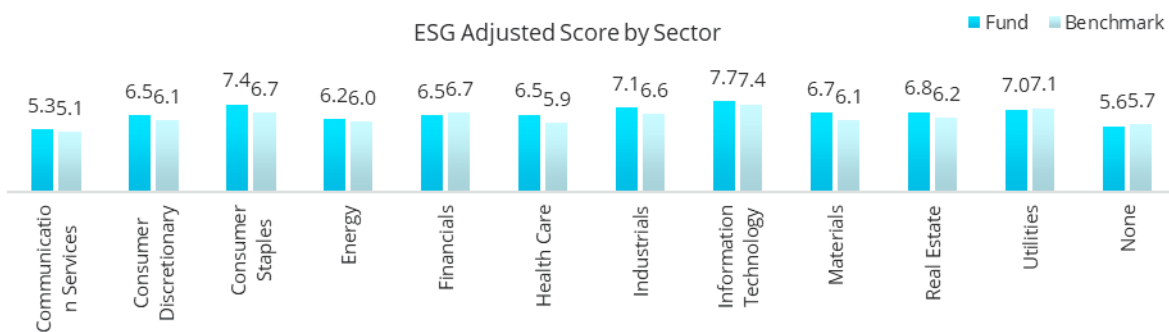
## ESG (Environmental, social, and governance) review: Carbon and ESG exposure

The following refers to the portfolio's carbon and ESG exposure based on its underlying holdings. Aggregation at the total portfolio level has been done using BlackRock-approved methodology, which is explained at the end of the document. ESG data for individual funds and securities was sourced from MSCI.

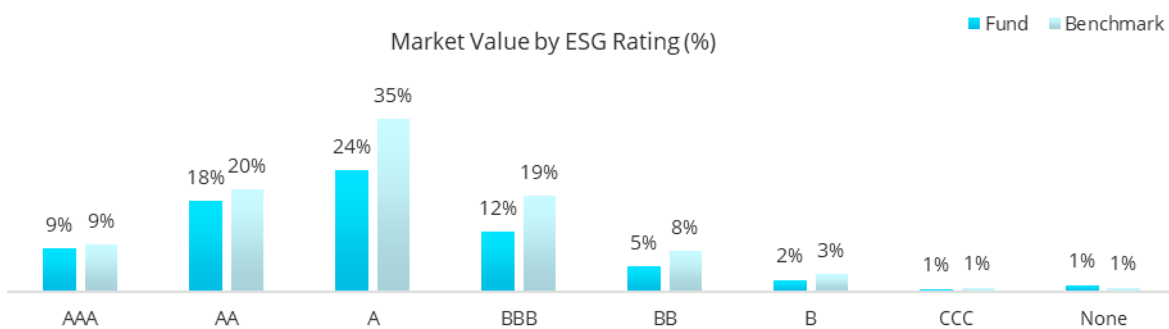
		Portfolio	Benchmark	Active				
ESG	<b>ESG Coverage</b>	71.1%	96.1%					
	% Market Value							
	<b>ESG Adjusted Score</b>	6.6	6.4	0.3				
	0 (worst) - 10 (best)							
	<b>Environment Score</b>	6.4	6.2	0.2				
	0 (worst) - 10 (best)							
	<b>Social Score</b>	5.6	5.6	0.0				
	0 (worst) - 10 (best)							
	<b>Governance Score</b>	5.3	5.3	0.0				
	0 (worst) - 10 (best)							
<b>Active Risk Contribution by ESG Rating (bps)</b>				786				
	-92	-145	-201	-148	-54	-26	-4	
	AAA	AA	A	BBB	BB	B	CCC	None
Carbon	 <b>BLACKROCK®</b>	Fund	Benchmark	Active				
	<b>Emissions Intensity (Tot. Capital) - Latest</b>	76.4	104.7	-27.0%				
	(metric tonnes / \$ million total capital)							
<b>Emissions Intensity (Sales) - Latest</b>	122.9	176.6	-30.4%					
	(metric tonnes / \$ million total sales)							



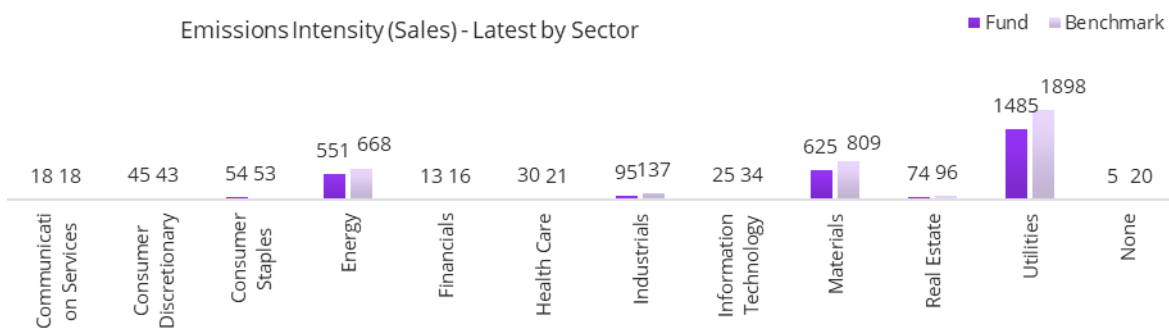
ESG Adjusted Score by Sector



Market Value by ESG Rating (%)



Emissions Intensity (Sales) - Latest by Sector





# Notes, definitions and disclaimers

## Scenario descriptions

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- Recession: The largest market drawdown of the financial crisis of the period. December 2007 to March 2009.
- Crash 2008: Performance during the year 2008.
- Crash 2007: Performance during the year 2007.
- US Downgrade: Period starts with 50% chance of US downgrade indication from S&P Standards and ends with Operational Twist announcement by Fed.
- 2013 Fed Tapering: Tapering Talks stirred the market since Congress Testimony by Bernanke with both equity and bond markets sold off.
- 2003 Mortgage Sell Off: Mortgage sell-off of 2003.
- 2003 Treasury Backup: Backup of treasuries in 2003.
- China Market Crash: Chinese stock market crash beginning with the popping of the stock market bubble on 12 June 2015.
- Stock Market Drop Global: Global Stock markets are shocked with a one percentile drawdown.
- Interest Rate Backup Europe: European Rates are shocked with a one percentile increase.
- Rising Inflation Europe: European Inflation is shocked with a one percentile increase.
- Credit Spread Widening Europe: Credit Spreads for European Corporate bonds are shocked with a one percentile Credit Spread Widening.
- Weak US dollar: US dollar is shocked with one a percentile drop.
- Equity Volatility Increase: Equity Volatility is shocked with a one percentile increase.





## ESG (Environmental, social, and governance) methodology and assumptions

The above metrics are based on the following methodology and can be interpreted as follows:

	Metric	Methodology	Interpretation
ESG	ESG Score (Adjusted)	Best scoring company within a peer group is given a score of 10, the worst scoring one will be given a score of 0 and a normal distribution will be applied for the ones in between.	Indicates how well an issuer manages its most material ESG risks relative to sector peers (0 worst, 10 best). Makes company scores across different industries comparable.
	Environment Score	Weighted average of key issue scores falling under the Environmental Pillar.	Indicates how well an issuer manages environmental risks such as greenhouse gas emissions, deforestation etc. relative to sector peers. (0 worst, 10 best).
	Social Score	Weighted average of key issue scores falling under the Social Pillar.	Indicates how well an issuer deals with social issues such as working conditions, employee relations & diversity etc. relative to sector peers. (0 worst, 10 best).
	Governance Score	Weighted average of key issue scores falling under the Governance Pillar.	Indicates how well an issuer deals with governance matters such as executive pay, tax strategy etc. relative to sector peers. (0 worst, 10 best).
Carbon	Emissions Financed (metric tonnes / \$ million total capital)	$\sum \left( \frac{\text{Scope 1 \& 2 GHG Emissions}}{\text{Total Capital}} \right)$	Emissions normalized by total capital (total debt + total equity). With every million dollar invested x metric tons of emissions are financed.
	Emissions Intensity (metric tonnes / \$ million sales)	$\sum \left( \frac{\text{Scope 1 \& 2 GHG Emissions}}{\text{Total Sales}} \right)$	Emissions normalized by total sale. With every million dollar revenue x metric tons of emissions are financed.



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