

# Discovery Global Portfolios

## Commentary from **BlackRock**

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### March 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

March was a tumultuous month that saw the continuation of a horrific war in Ukraine and an exacerbated global energy shock. Market moves have been striking with bond yields marching higher and risk assets extending their sharp rebound off the year's lows. Developed market equities returned 3.2% and U.S Equities 3.5% respectively. A combination of low real rates, post-pandemic economic growth and reasonable equity valuations have favoured stocks in developed markets. Emerging markets were down -2.2%, as a new round of Omicron cases weighed on Chinese markets on top of the broader geopolitical concerns. During the month, the U.S. yield curve flattened and briefly inverted sending a possible warning that a recession could be on the horizon. US treasuries ended down -2.9% and UK gilts were down -2.1%. In currencies, expectations for faster monetary tightening in the US also contributed to a rally in the dollar, which ended the month up 0.9% against the Euro and 1.9% against the Sterling.

Record levels of high inflation has put central banks in a bind and although some argue that the central banks won't be able to effectively tackle this energy and supply-driven inflation by tightening monetary policy and interest rate hikes, the Fed raised rates by 0.25%. Chair Powell warned that the central bank may need to go beyond the committee's perceived neutral rate of 2.4% to restore price stability. This came on the back of inflation reaching a 40-year high of 7.9%. The U.S. economy appears robust as Non-Farm Payroll figures showed 431K jobs were added, along with faster wage rises and a lower unemployment rate of 3.60% in March. Further rotation back to services and away from goods spending was seen, with S&P Global US Services PMI printing 58.0 in March, up from 56.5 in February. On the other side of the Atlantic, inflation rate in the Euro Area also surged to an all-time high of 7.5% in March. The war has weighed materially on European economic activity as the region tries to wean itself off Russian energy. S&P Global Eurozone Composite PMI revised lower to 54.9. This was coupled with a near record plunge in euro area consumer confidence at -18.7 in March.



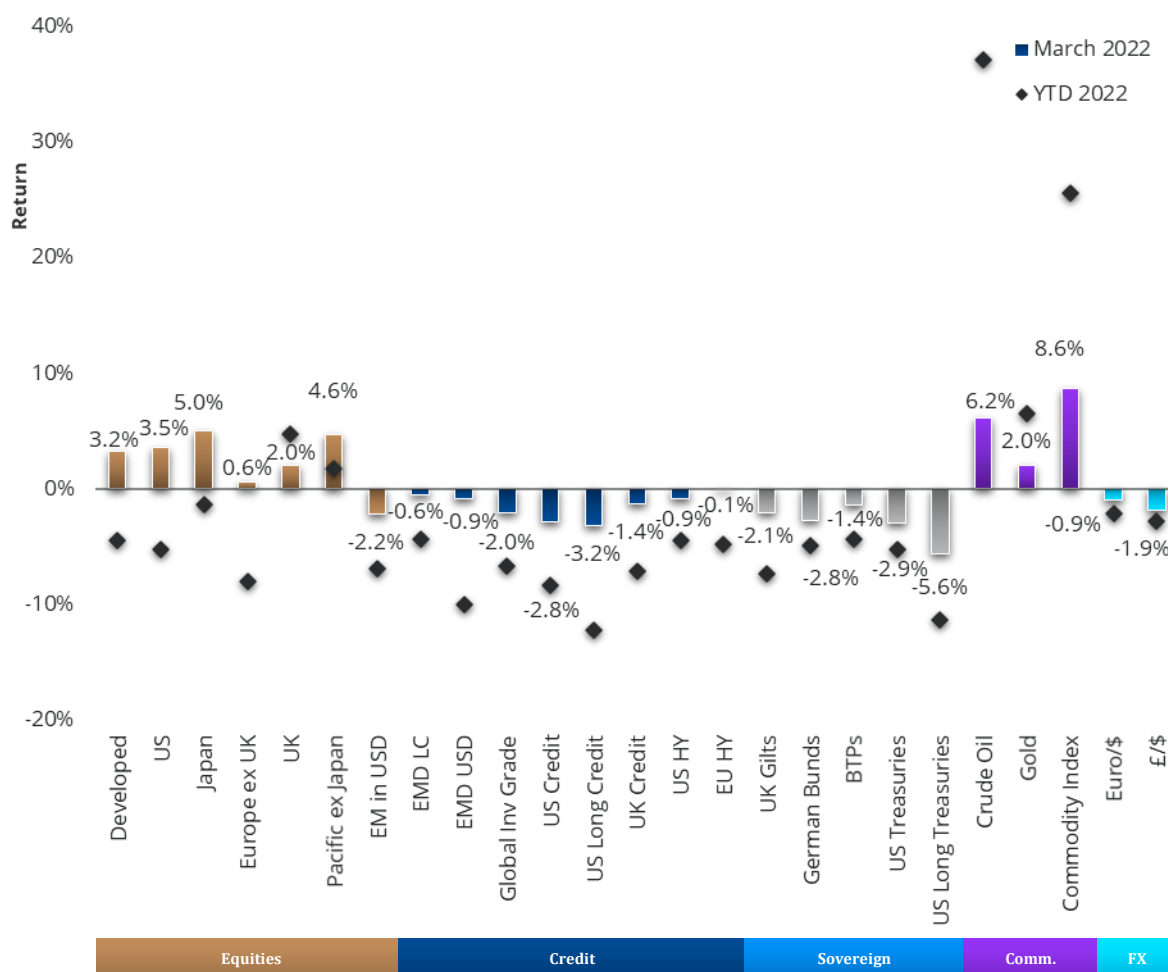
In the UK, the BOE raised its interest rate by 25bps to 0.75% as inflation accelerated to 6.2% in February. However, the Monetary Policy Committee went on to confirm that Russia's invasion of Ukraine would accentuate both the peak in inflation and would further intensify the squeeze on household incomes.

Yields surged through the month with US Treasury yields leading the jump in Developed markets government bond yields. The move was driven mainly by the front end of the curve which is more sensitive to higher interest rate expectations. Benchmark 10-year yields was up by 49 bps to 2.33% in the US, by 20bps to 1.61% in the UK, by 3 bp to 0.21% in Japan, 40 bps to 0.55% in Germany and 29 bps to 2.04% in Italy. Persistent geopolitical uncertainty over the war continues to drive commodity prices— and not just energy, which highlights Russia and Ukraine's central role in producing key foods. Oil (Brent) was up 6.2% to \$107 a barrel as supply disruptions offset the release of reserves by the US. Gold has seen a significant pickup in buying in March, and a persistent trend emerging as this is the first time the precious metal has recorded three consecutive months of buying since Aug-Oct 2020. Gold was up 2% to \$1,941/ounce.

*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 March 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 March 2022. All performance numbers in local currency unless otherwise stated.

## Discovery Global Conservative Portfolio

### Monthly commentary

- The Portfolio returned -0.25% over the month. Longer term, since Inception returns 3.51% p.a.
- March was a tumultuous month that saw the continuation of a horrific war in Ukraine and an exacerbated global energy shock. Market moves have been striking with bond yields marching higher and risk assets extending their sharp rebound off the year's lows. Developed market equities returned 3.2% and U.S Equities 3.5% respectively. A combination of low real rates, post-pandemic economic growth and reasonable equity valuations have favoured stocks in developed markets. Emerging markets were down -2.2%, as a new round of Omicron cases weighed on Chinese markets on top of the broader geopolitical concerns.



- The Portfolio generated negative return over the month due to its high allocation to Fixed Income assets which sold off sharply as rates moved higher and spreads widened. Largest detractors were PGIM IG credit fund and the three global government bonds funds.
- In March, we reduced our underweight to Global IG, and sold global government bonds. We also introduced investments in Gold and World Value in the portfolio as a long-term diversifier.
- The portfolio risk has remained broadly unchanged over the month. Compared to the midpoint of the risk band, we continue to run marginally higher levels of volatility. The risk of the portfolio was 5.9%

## 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.

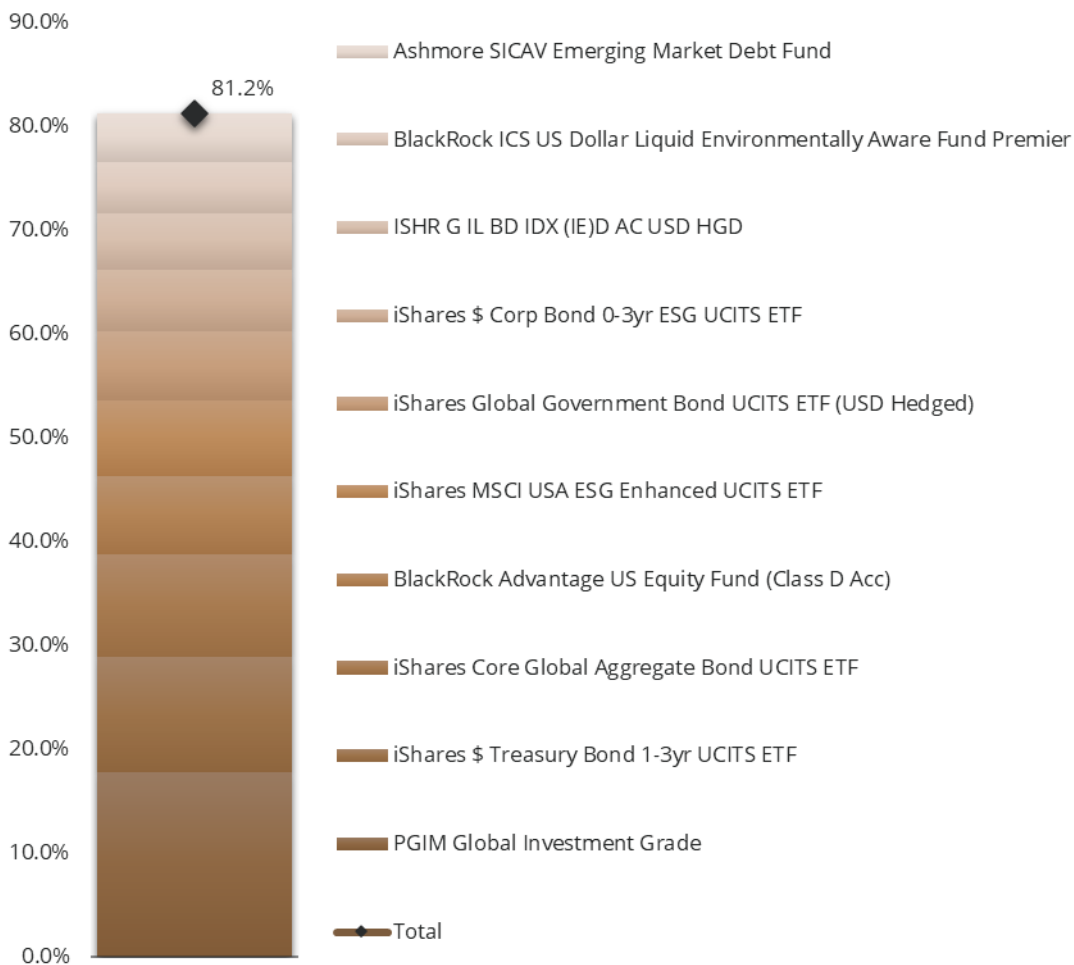
Asset Class		Market Value %		
		28/02/2022	31/03/2022	Change
<b>Equities</b>		<b>26.8%</b>	<b>26.7%</b>	<b>-0.2%</b>
IE00BHZPJ908	iShares MSCI USA ESG Enhanced UCITS ETF	7.2%	7.3%	0.1%
IE00BFZP7V49	BlackRock Advantage US Equity Fund (Class D Acc)	7.2%	7.5%	0.3%
LU2049715449	Schroders ISF Emerging Markets Fund	3.8%	4.1%	0.3%
LU0827876151	BGF Continental European Flexible Fund (Class D2 USD Hedged)	2.4%	2.4%	0.0%
IE00BL5M8925	American Century Global Small Cap Equity Fund	2.2%	1.3%	-0.9%
IE00B4L5YX21	iShares MSCI Japan ESG Enhanced UCITS ETF	2.2%	2.2%	0.0%
IE00BYZ28W67	iShares FTSE 100 ETF (USD Hedged Acc)	0.9%	0.9%	0.0%
IE00BHZPJ239	iShares MSCI EM ESG Enhanced UCITS ETF	1.0%	1.1%	0.0%
<b>Fixed Income</b>		<b>68.2%</b>	<b>66.7%</b>	<b>-1.4%</b>
IE00BZ043R46	iShares Core Global Aggregate Bond UCITS ETF	10.0%	9.9%	-0.1%
IE00BFLQZJ56	PGIM Global Investment Grade	17.0%	17.8%	0.8%
IE00BK7Y2P34	iShares Global Government Bond UCITS ETF (USD Hedged)	8.7%	6.7%	-2.0%
IE00BL5GZN70	Wellington Global High Yield Bond Fund	3.5%	3.5%	0.0%
LU0912263752	Ashmore SICAV Emerging Market Debt Fund	4.5%	4.7%	0.1%
IE00BMY4BK85	Neuberger Berman Emerging Market Debt Local Currency Fund	1.7%	1.8%	0.1%
IE00B3VWN179	iShares \$ Treasury Bond 1-3yr UCITS ETF	11.2%	11.1%	-0.2%
IE00BD0NC367	ISHR G IL BD IDX (IE)D AC USD HGD	5.5%	5.4%	-0.1%
IE00BZ048579	iShares \$ Corp Bond 0-3yr ESG UCITS ETF	6.0%	5.9%	-0.1%
<b>Factor Strategy</b>		<b>0.0%</b>	<b>0.9%</b>	<b>0.9%</b>
IE00BH3Z9035	ISHARES EDGE MSCI WORLD VALUE	0.0%	0.9%	0.9%
<b>Commodities</b>		<b>0.0%</b>	<b>0.7%</b>	<b>0.7%</b>
IE00B4ND3602	ISHARES PHYSICAL GOLD	0.0%	0.7%	0.7%
<b>Cash</b>		<b>5.0%</b>	<b>5.0%</b>	<b>0.0%</b>
IE00BH3Z9035	BlackRock ICS US Dollar Liquid Environmentally Aware Fund Premier	5.0%	5.0%	0.0%
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>	

Source: BlackRock, 31 March 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.

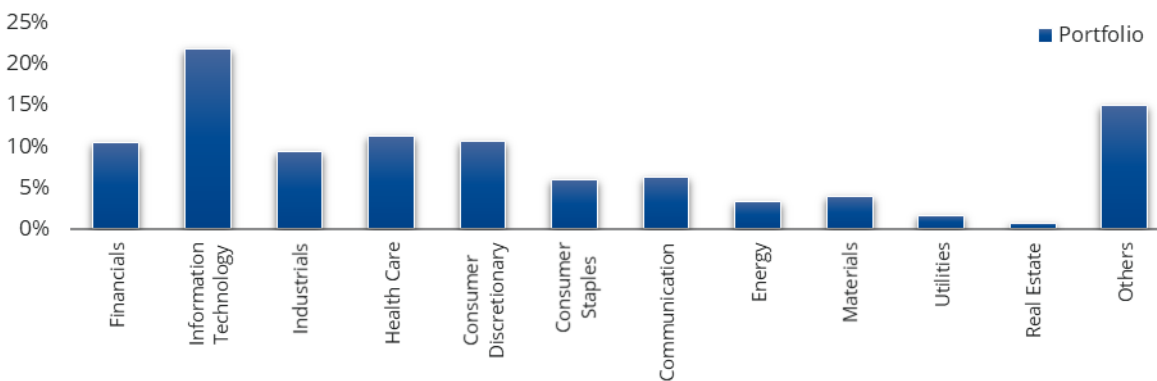


### TOP 10 holdings



Source: BlackRock 31 March 2022

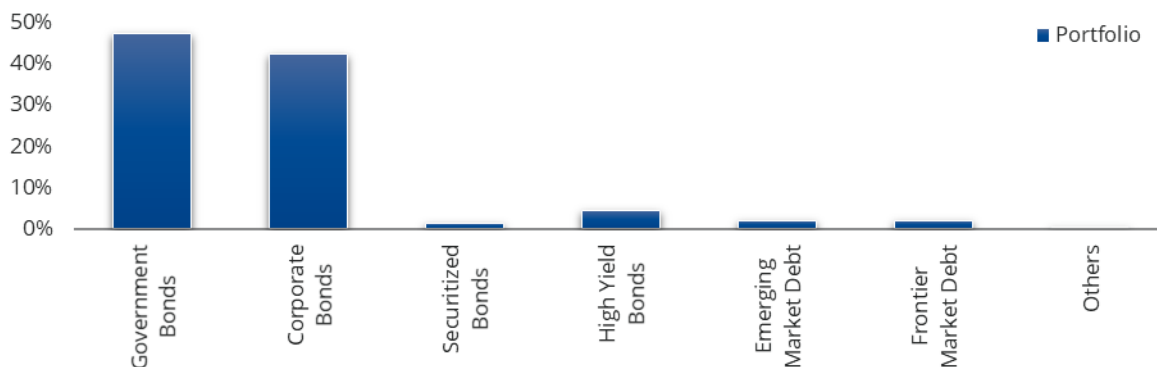
### Equities: Sector allocation



Source: BlackRock 31 March 2022

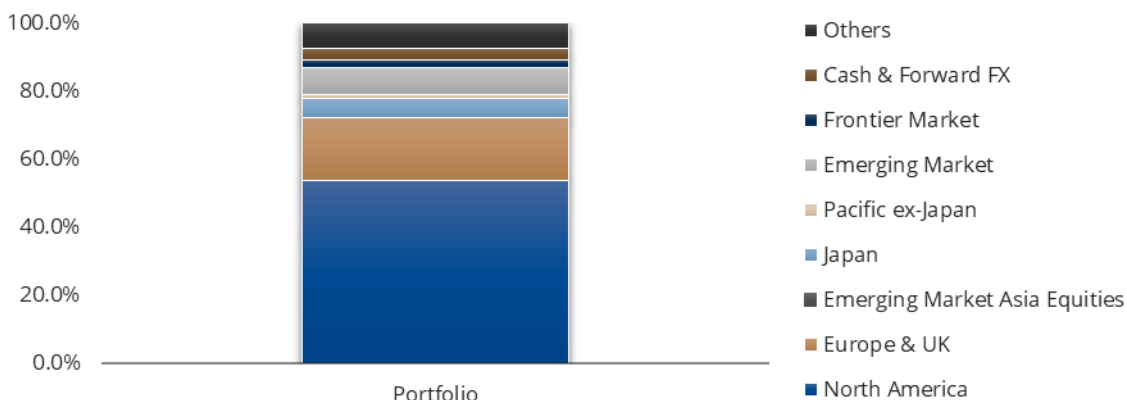


### Fixed Income: Issuer type



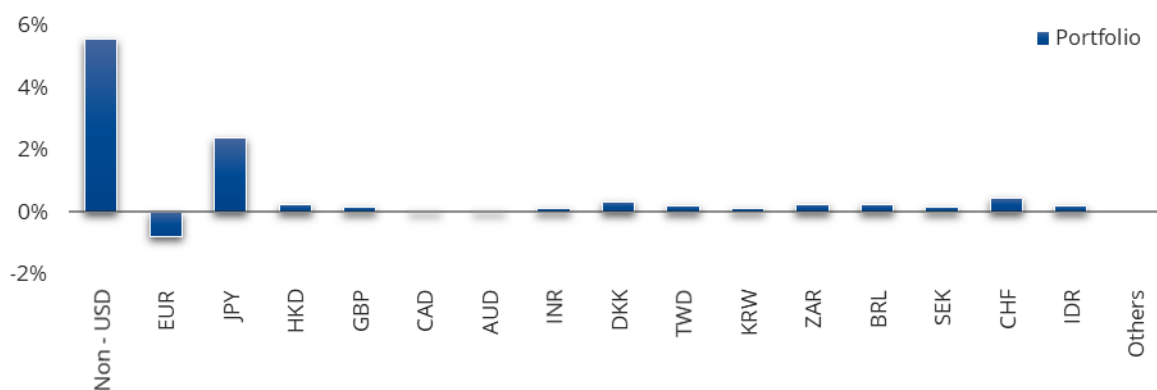
Source: BlackRock 31 March 2022

### Country allocation



Source: BlackRock 31 March 2022

### Currency allocation



Source: BlackRock 31 March 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.

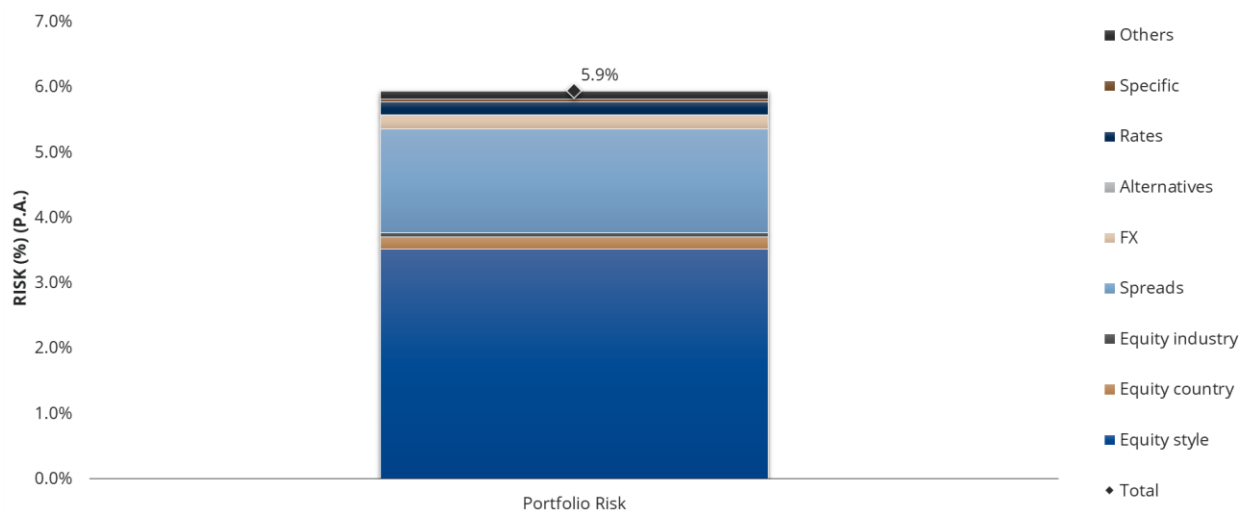
	MTD(%)	YTD(%)
<b>Equities</b>	<b>0.72%</b>	<b>-1.99%</b>
iShares MSCI USA ESG Enhanced UCITS ETF	0.34%	-0.44%
BlackRock Advantage US Equity Fund (Class D Acc)	0.00%	0.00%
Schroders ISF Emerging Markets Fund	-0.06%	-0.32%
BGF Continental European Flexible Fund (Class D2 USD Hedged)	0.11%	-0.43%
American Century Global Small Cap Equity Fund	0.02%	-0.29%
iShares MSCI Japan ESG Enhanced UCITS ETF	-0.05%	-0.15%
iShares FTSE 100 ETF (USD Hedged Acc)	0.01%	0.03%
iShares MSCI EM ESG Enhanced UCITS ETF	-0.02%	-0.06%
BLK SUS ADV US EQ FD D ACC USD	0.38%	-0.33%
<b>Fixed Income</b>	<b>-0.99%</b>	<b>-3.30%</b>
iShares Core Global Aggregate Bond UCITS ETF	-0.14%	-0.46%
PGIM Global Investment Grade	-0.34%	-1.14%
iShares Global Government Bond UCITS ETF (USD Hedged)	-0.16%	-0.36%
Wellington Global High Yield Bond Fund	0.00%	-0.16%
Ashmore SICAV Emerging Market Debt Fund	-0.03%	-0.51%
Neuberger Berman Emerging Market Debt Local Currency Fund	-0.06%	-0.13%
iShares \$ Treasury Bond 1-3yr UCITS ETF	-0.15%	-0.27%
ISHR G IL BD IDX (IE)D AC USD HGD	-0.07%	-0.17%
iShares \$ Corp Bond 0-3yr ESG UCITS ETF	-0.02%	-0.10%
<b>Factors Strategy</b>	<b>0.01%</b>	<b>0.01%</b>
ISHARES EDGE MSCI WORLD VALUE	0.01%	0.01%
<b>Commodities</b>	<b>0.01%</b>	<b>0.01%</b>
ISHARES PHYSICAL GOLD	0.01%	0.01%
<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>-0.25%</b>	<b>-5.28%</b>

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



## Risk analysis: Absolute and 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.



BlackRock, 31 March 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.

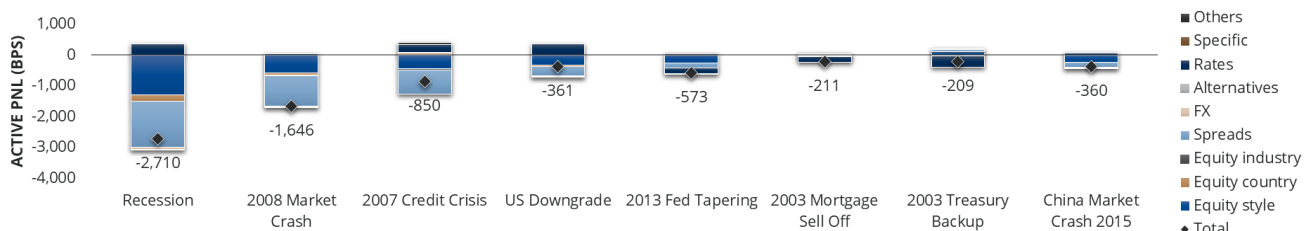




## Risk analysis: Scenario analysis

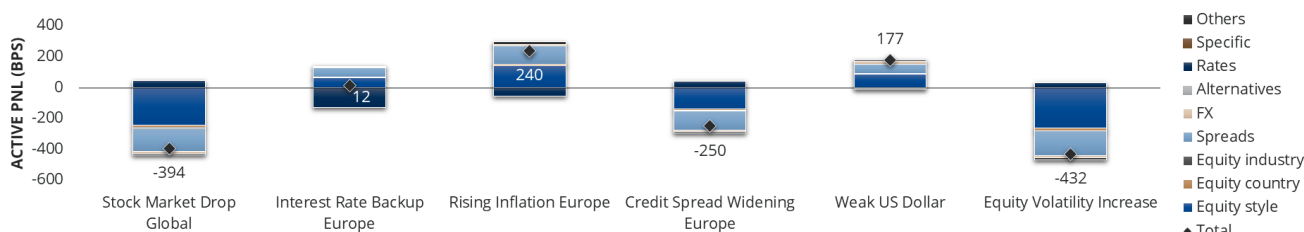
The charts below apply different historical and forward-looking scenarios to the current portfolio. For additional information on the forward-looking scenarios, please refer to the appendix.

### Historical scenarios



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

### Forward-looking scenarios




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



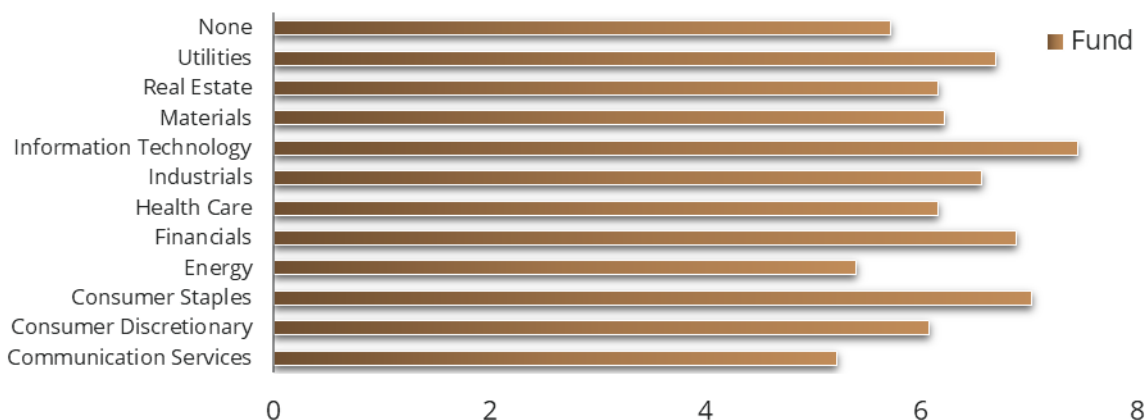
## ESG (Environmental, social, and governance) review: Carbon and ESG exposure

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.

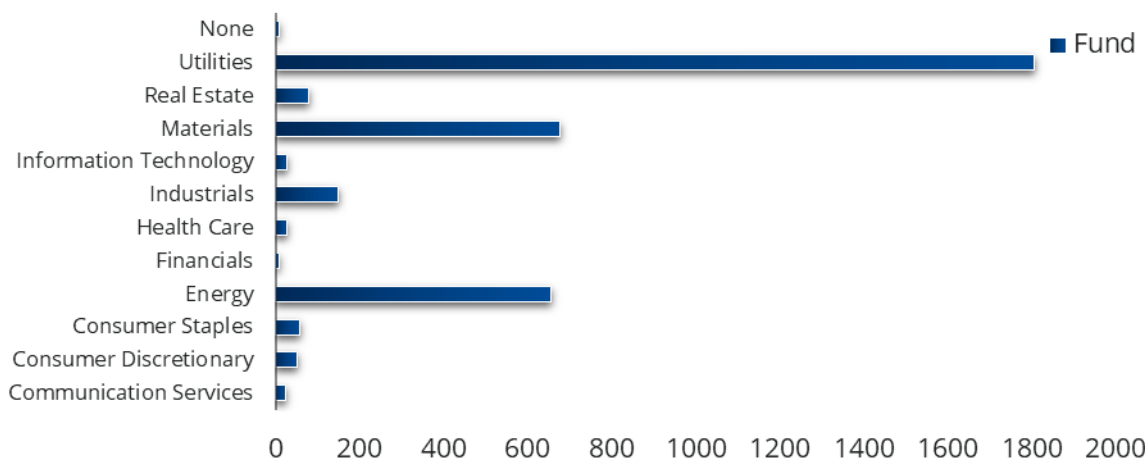
		Portfolio
ESG	<b>ESG Coverage</b>	89.6%
	% Market Value	
	<b>ESG Adjusted Score</b>	6.2
	0 (worst) - 10 (best)	
	<b>Environment Score</b>	6.2
0 (worst) - 10 (best)		
<b>Social Score</b>	6.0	
0 (worst) - 10 (best)		
<b>Governance Score</b>	5.5	
0 (worst) - 10 (best)		
Carbon		Fund
	<b>Emissions Intensity (Tot. Capital) - Latest</b>	80.6
	(metric tonnes / \$ million total capital)	
<b>Emissions Intensity (Sales) - Latest</b>	173.9	
(metric tonnes / \$ million total sales)		



## ESG Adjusted Score by Sector



## Emissions Intensity (Sales) - Latest by Sector



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 0.63% over the month. Longer term, since Inception returns 7.34% p.a.
- March was a tumultuous month that saw the continuation of a horrific war in Ukraine and an exacerbated global energy shock. Market moves have been striking with bond yields marching higher and risk assets extending their sharp rebound off the year's lows. Developed market equities returned 3.2% and U.S Equities 3.5% respectively. A combination of low real rates, post-pandemic economic growth and reasonable equity valuations have favoured stocks in developed markets. Emerging markets were down -2.2%, as a new round of Omicron cases weighed on Chinese markets on top of the broader geopolitical concerns.
- The Portfolio generated positive return over the month due to its higher allocation to Equity assets. US Equity Funds were the largest contributors while the Fixed Income Assets partially detracted from the performance.



- In March, we reduced our underweight to Global IG, and sold global government bonds. We also introduced investments in Gold and World Value in the portfolio as a long-term diversifier.
- The portfolio risk has remained broadly unchanged over the month. Compared to the midpoint of the risk band, we continue to run marginally higher levels of volatility. The risk of the portfolio was 8.6%

## 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 %		
		28/02/2022	31/03/2022	Change
<b>Equities</b>		<b>46.5%</b>	<b>46.0%</b>	<b>-0.5%</b>
IE00BHZPJ908	iShares MSCI USA ESG Enhanced UCITS ETF	12.6%	12.7%	0.1%
IE00BFZP7V49	BlackRock Advantage US Equity Fund (Class D Acc)	12.7%	13.1%	0.4%
LU0827876151	BGF Continental European Flexible Fund (Class D2 USD Hedged)	4.6%	4.6%	0.0%
LU2049715449	Schroders ISF Emerging Markets Fund	6.6%	6.9%	0.4%
IE00BL5M8925	American Century Global Small Cap Equity Fund	3.2%	1.9%	-1.3%
IE00B4L5YX21	iShares MSCI Japan ESG Enhanced UCITS ETF	3.8%	3.7%	-0.1%
IE00BYZ28W67	iShares FTSE 100 ETF (USD Hedged Acc)	1.5%	1.5%	0.0%
IE00BHZPJ239	iShares MSCI EM ESG Enhanced UCITS ETF	1.5%	1.5%	0.1%
<b>Fixed Income</b>		<b>48.5%</b>	<b>46.5%</b>	<b>-2.0%</b>
IE00BK7Y2P34	iShares Global Government Bond UCITS ETF (USD Hedged)	10.3%	7.3%	-2.9%
IE00BZ043R46	iShares Core Global Aggregate Bond UCITS ETF	8.5%	8.3%	-0.2%
IE00BFLQZJ56	PGIM Global Investment Grade	9.1%	10.3%	1.3%
IE00BL5GZN70	Wellington Global High Yield Bond Fund	3.5%	3.5%	0.0%
LU0912263752	Ashmore SICAV Emerging Market Debt Fund	5.4%	5.5%	0.1%
IE00BD0NC367	iShares Global Inflation-Linked Bond Index Fund (Class D USD Hedged)	2.0%	1.9%	-0.1%
IE00BMY4BK85	Neuberger Berman Emerging Market Debt Local Currency Fund	1.9%	2.0%	0.1%
IE00B3VWN179	iShares \$ Treasury Bond 1-3yr UCITS ETF	4.8%	4.7%	-0.1%
IE00BZ048579	iShares \$ Corp Bond 0-3yr ESG UCITS ETF	3.0%	2.9%	-0.1%
<b>Factor Strategy</b>		<b>0.0%</b>	<b>1.4%</b>	<b>1.4%</b>
IE00BH3Z9035	ISHARES EDGE MSCI WORLD VALUE	0.0%	1.4%	1.4%
<b>Commodities</b>		<b>0.0%</b>	<b>1.0%</b>	<b>1.0%</b>
IE00B4ND3602	ISHARES PHYSICAL GOLD	0.0%	1.0%	1.0%
<b>Cash</b>		<b>5.0%</b>	<b>5.1%</b>	<b>0.1%</b>
IE00BH3Z9035	BlackRock ICS US Dollar Liquid Environmentally Aware Fund Premier	5.0%	5.1%	0.1%
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>	

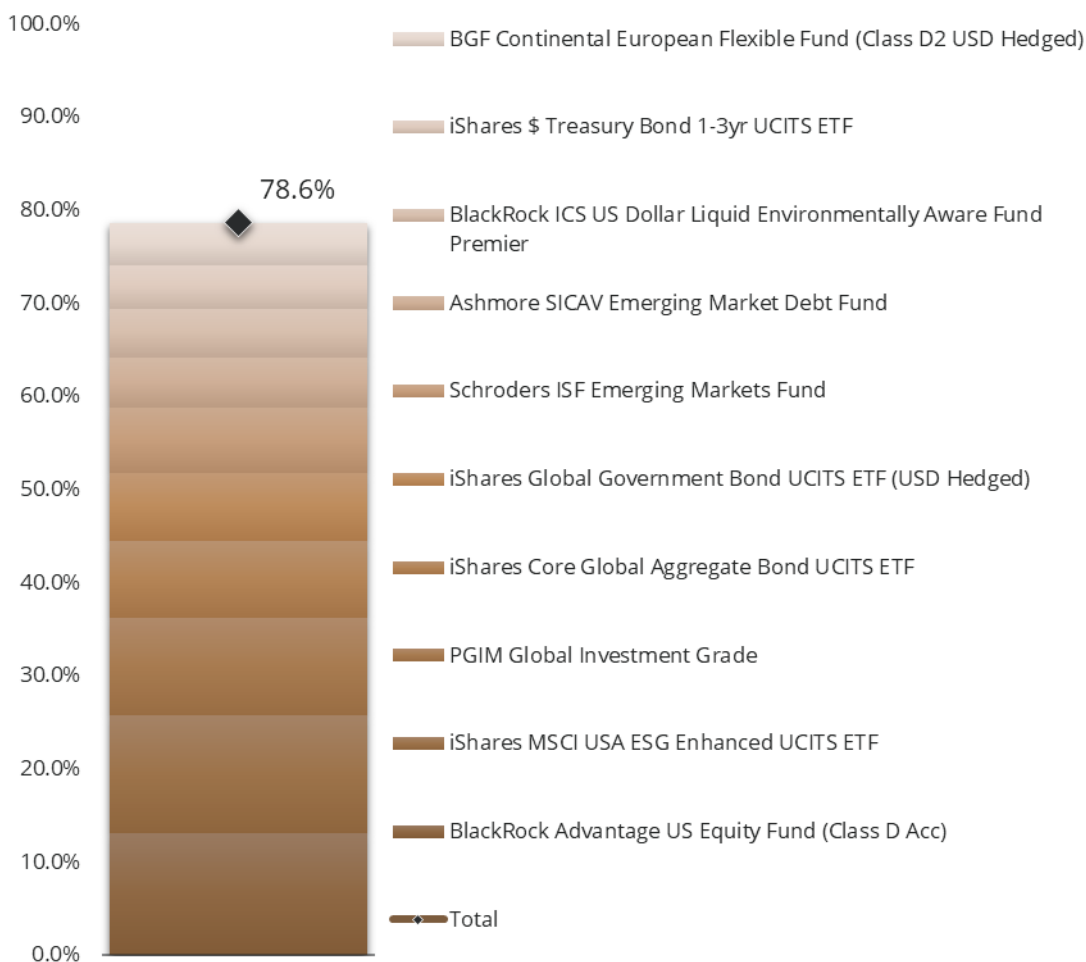
Source: BlackRock, 31 March 2022. Performance and valuations rounded where appropriate, hence totals may not sum.

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



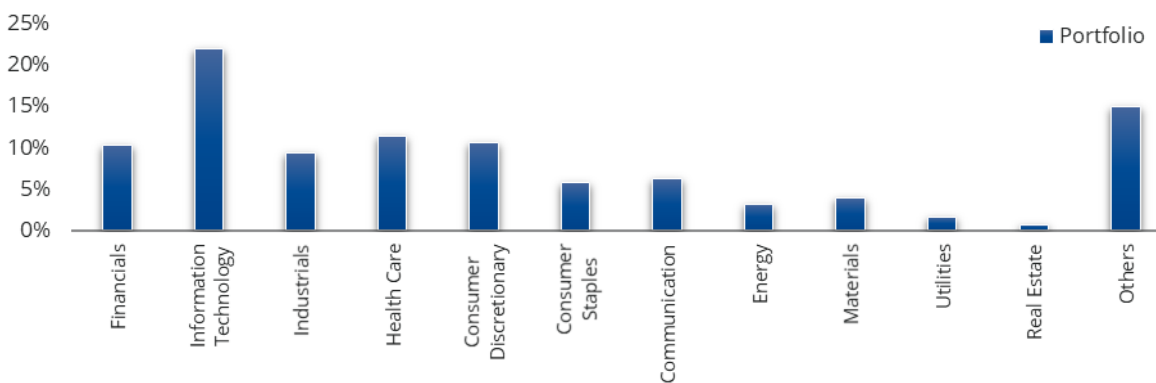
## TOP 10 holdings

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



Source: BlackRock 31 March 2022

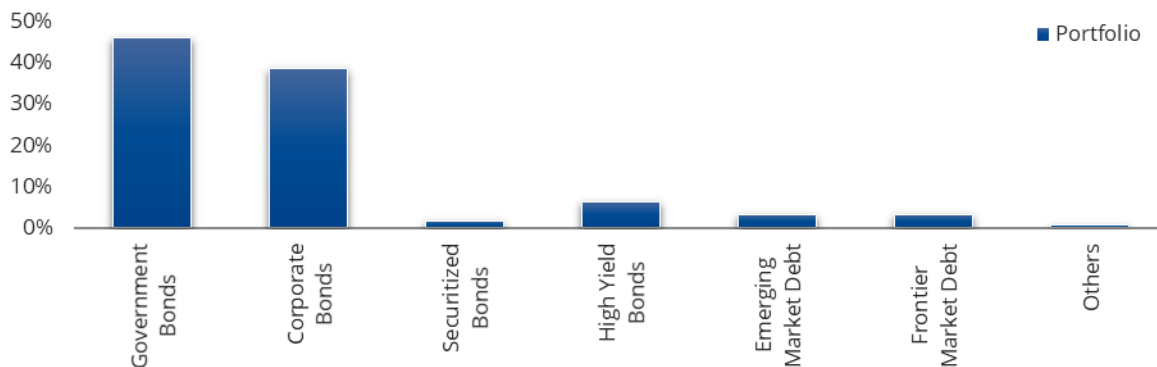
## Equities: Sector allocation



Source: BlackRock 31 March 2022

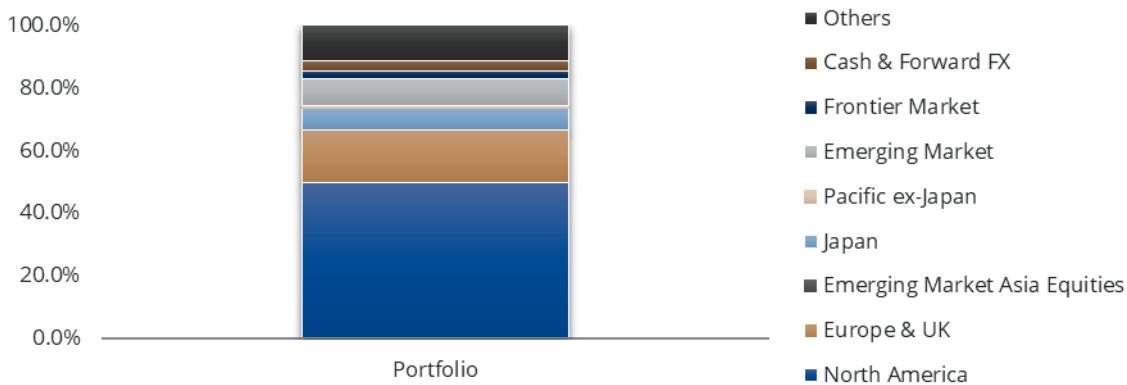


### Fixed Income: Issuer type



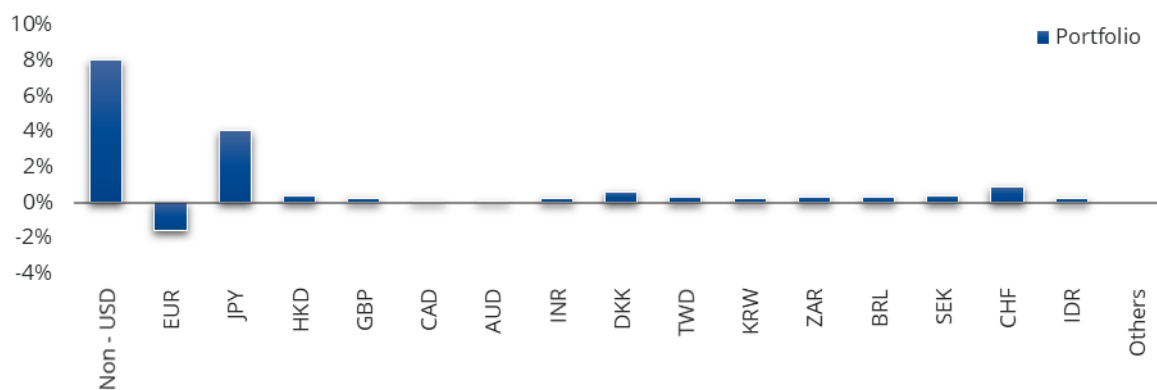
Source: BlackRock 31 March 2022

### Country allocation



Source: BlackRock 31 March 2022

### Currency allocation



Source: BlackRock 31 March 2022



## Performance contribution

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

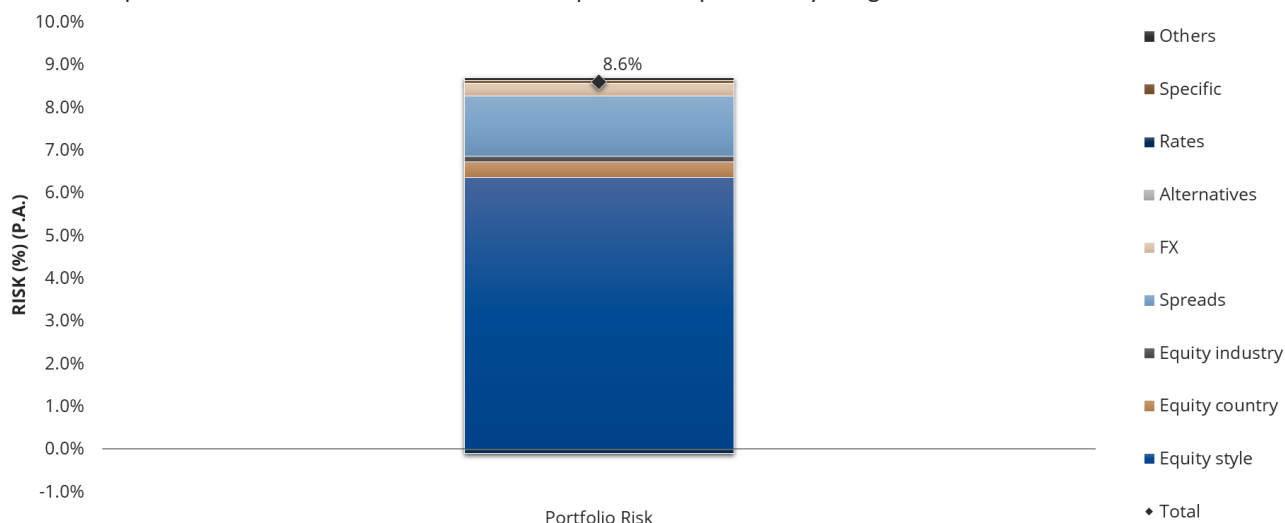
	MTD(%)	YTD(%)
<b>Equities</b>	<b>1.29%</b>	<b>-3.41%</b>
iShares MSCI USA ESG Enhanced UCITS ETF	0.60%	-0.78%
BlackRock Advantage US Equity Fund (Class D Acc)	0.00%	0.00%
BGF Continental European Flexible Fund (Class D2 USD Hedged)	0.21%	-0.77%
Schroders ISF Emerging Markets Fund	-0.11%	-0.55%
American Century Global Small Cap Equity Fund	0.02%	-0.43%
iShares MSCI Japan ESG Enhanced UCITS ETF	-0.08%	-0.25%
iShares FTSE 100 ETF (USD Hedged Acc)	0.02%	0.05%
iShares MSCI EM ESG Enhanced UCITS ETF	-0.03%	-0.08%
BLK SUS ADV US EQ FD D ACC USD	0.66%	-0.60%
<b>Fixed Income</b>	<b>-0.69%</b>	<b>-2.52%</b>
iShares Global Government Bond UCITS ETF (USD Hedged)	-0.19%	-0.41%
iShares Core Global Aggregate Bond UCITS ETF	-0.12%	-0.39%
PGIM Global Investment Grade	-0.18%	-0.60%
Wellington Global High Yield Bond Fund	0.00%	-0.16%
Ashmore SICAV Emerging Market Debt Fund	-0.03%	-0.60%
iShares Global Inflation-Linked Bond Index Fund (Class D USD Hedged)	-0.03%	-0.06%
Neuberger Berman Emerging Market Debt Local Currency Fund	-0.07%	-0.14%
iShares \$ Treasury Bond 1-3yr UCITS ETF	-0.07%	-0.12%
iShares \$ Corp Bond 0-3yr ESG UCITS ETF	-0.01%	-0.05%
<b>Factors Strategy</b>	<b>0.02%</b>	<b>0.02%</b>
ISHARES EDGE MSCI WORLD VALUE	0.02%	0.02%
<b>Commodities</b>	<b>0.01%</b>	<b>0.01%</b>
ISHARES PHYSICAL GOLD	0.01%	0.01%
<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>0.63%</b>	<b>-5.91%</b>

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



## Risk analysis: 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 March 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.
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- 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.

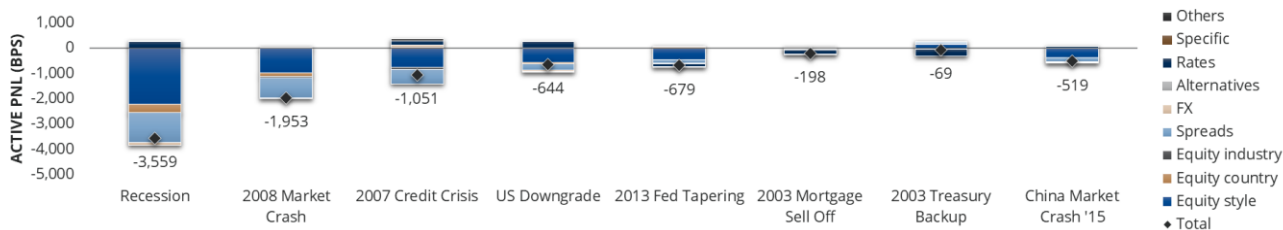




## Risk analysis: Scenario analysis

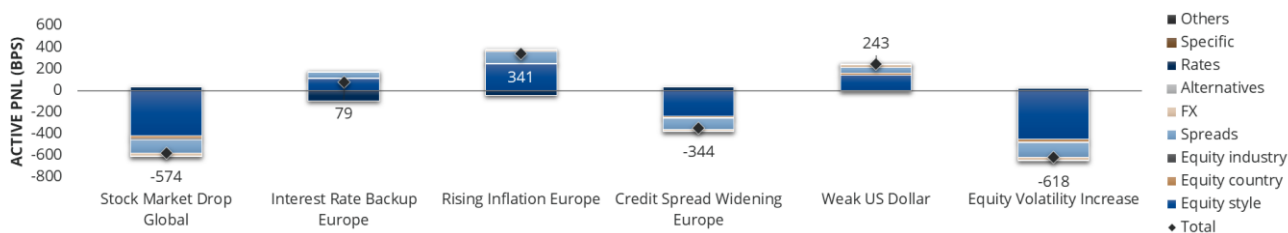
The charts below apply to different historical and forward-looking scenarios to the current portfolio. For further explanations of the scenarios, please refer to the end of the document.

### Historical scenarios



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

### Forward-looking scenarios




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



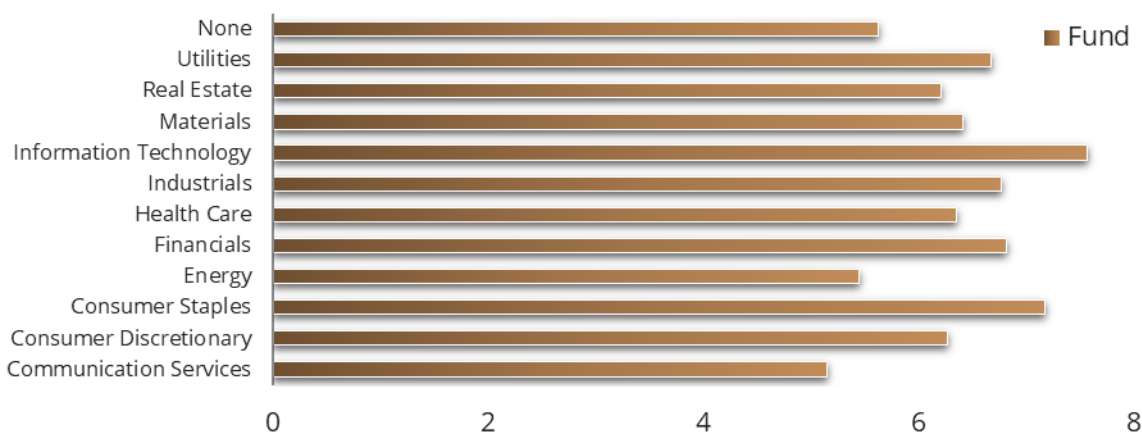
## ESG (Environmental, social, and governance) review: Carbon and ESG exposure

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.

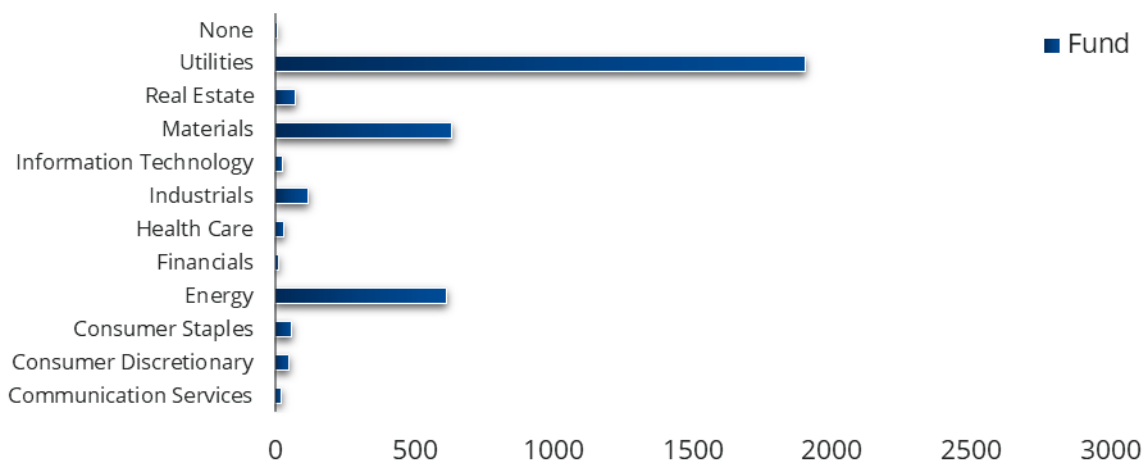
		Portfolio
ESG	<b>ESG Coverage</b>	86.7%
	% Market Value	
	<b>ESG Adjusted Score</b>	6.3
	0 (worst) - 10 (best)	
	<b>Environment Score</b>	6.3
	0 (worst) - 10 (best)	
	<b>Social Score</b>	5.8
	0 (worst) - 10 (best)	
	<b>Governance Score</b>	5.4
	0 (worst) - 10 (best)	
Carbon	 <b>BLACKROCK®</b>	Fund
	<b>Emissions Intensity (Tot. Capital) - Latest</b>	76.9
	(metric tonnes / \$ million total capital)	
	<b>Emissions Intensity (Sales) - Latest</b>	153.0
	(metric tonnes / \$ million total sales)	



## ESG Adjusted Score by Sector



## Emissions Intensity (Sales) - Latest by Sector



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 1.39% over the month. Longer term, since Inception returns 10.90% p.a.
- March was a tumultuous month that saw the continuation of a horrific war in Ukraine and an exacerbated global energy shock. Market moves have been striking with bond yields marching higher and risk assets extending their sharp rebound off the year's lows. Developed market equities returned 3.2% and U.S Equities 3.5% respectively. A combination of low real rates, post-pandemic economic growth and reasonable equity valuations have favoured stocks in developed markets. Emerging markets were down -2.2%, as a new round of Omicron cases weighed on Chinese markets on top of the broader geopolitical concerns.
- The Portfolio generated positive return over the month due to its higher allocation to Equity assets. US Equity Funds were the largest contributors while the Fixed Income Assets partially detracted from the performance.



- In March, we reduced our underweight to Global IG, and sold global government bonds. We also introduced investments in Gold and World Value in the portfolio as a long-term diversifier.
- The portfolio risk has remained broadly unchanged over the month. Compared to the midpoint of the risk band, we continue to run marginally higher levels of volatility. The risk of the portfolio was 11.1%

## 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 %		
		28/02/2022	31/03/2022	Change
<b>Equities</b>		<b>63.1%</b>	<b>62.1%</b>	<b>-1.0%</b>
IE00BHZPJ908	iShares MSCI USA ESG Enhanced UCITS ETF	17.3%	17.3%	0.0%
IE00BFZP7V49	BlackRock Advantage US Equity Fund (Class D Acc)	17.3%	17.8%	0.5%
LU0827876151	BGF Continental European Flexible Fund (Class D2 USD Hedged)	6.3%	6.2%	-0.1%
LU2049715449	Schroders ISF Emerging Markets Fund	9.0%	9.4%	0.4%
IE00BL5M8925	American Century Global Small Cap Equity Fund	4.2%	2.5%	-1.7%
IE00B4L5YX21	iShares MSCI Japan ESG Enhanced UCITS ETF	5.1%	5.0%	-0.1%
IE00BYZ28W67	iShares FTSE 100 ETF (USD Hedged Acc)	2.0%	2.0%	0.0%
IE00BHZPJ239	iShares MSCI EM ESG Enhanced UCITS ETF	1.9%	1.9%	0.1%
<b>Fixed Income</b>		<b>31.8%</b>	<b>29.7%</b>	<b>-2.2%</b>
IE00BK7Y2P34	iShares Global Government Bond UCITS ETF (USD Hedged)	8.8%	5.1%	-3.7%
IE00BL5GZN70	Wellington Global High Yield Bond Fund	3.5%	3.4%	-0.1%
IE00B3VWN179	iShares \$ Treasury Bond 1-3yr UCITS ETF	2.4%	2.3%	-0.1%
IE00BFLQZJ56	PGIM Global Investment Grade	5.2%	6.9%	1.7%
LU0912263752	Ashmore SICAV Emerging Market Debt Fund	6.3%	6.4%	0.0%
IE00BD0NC367	iShares Global Inflation-Linked Bond Index Fund (Class D USD Hedged)	1.5%	1.4%	-0.1%
IE00BMY4BK85	Neuberger Berman Emerging Market Debt Local Currency Fund	2.1%	2.2%	0.1%
IE00BZ048579	iShares \$ Corp Bond 0-3yr ESG UCITS ETF	2.0%	2.0%	-0.1%
<b>Factor Strategy</b>		<b>0.0%</b>	<b>1.7%</b>	<b>1.7%</b>
IE00BH3Z9035	ISHARES EDGE MSCI WORLD VALUE	0.0%	1.7%	1.7%
<b>Commodities</b>		<b>0.0%</b>	<b>1.3%</b>	<b>1.3%</b>
IE00B4ND3602	ISHARES PHYSICAL GOLD	0.0%	1.3%	1.3%
<b>Cash</b>		<b>5.0%</b>	<b>5.2%</b>	<b>0.2%</b>
IE00BH3Z9035	BlackRock ICS US Dollar Liquid Environmentally Aware Fund Premier	5.0%	5.2%	0.2%
<b>Total</b>		<b>100.0%</b>	<b>100.0%</b>	

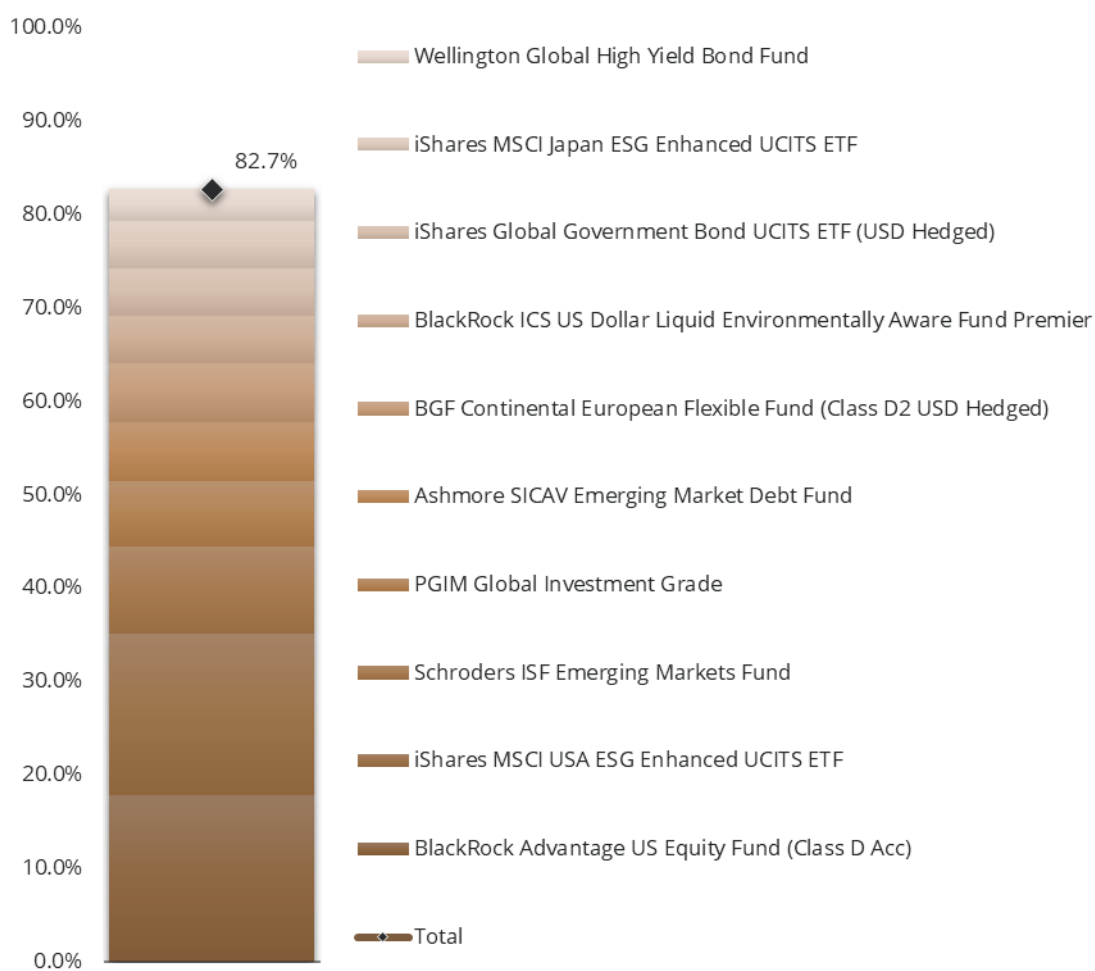
Source: BlackRock, 31 March 2022. Performance and valuations rounded where appropriate, hence totals may not sum.

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



## TOP 10 holdings

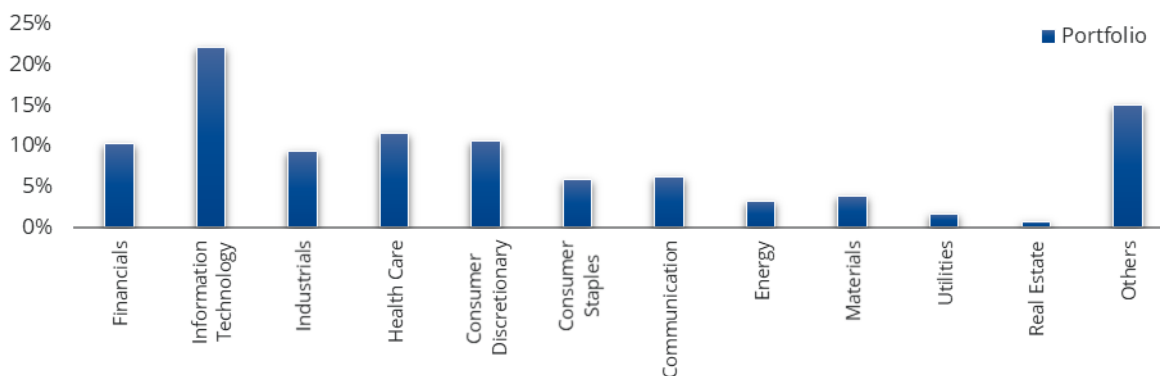
The following make up the top 10 holdings of the portfolio.



Source: BlackRock 31 March 2022



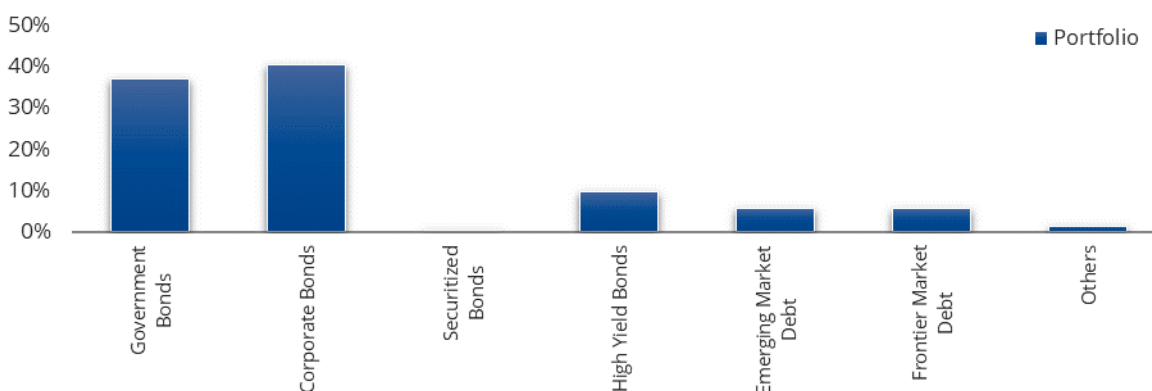
### Equities: Sector allocation



Source: BlackRock 31 March 2022

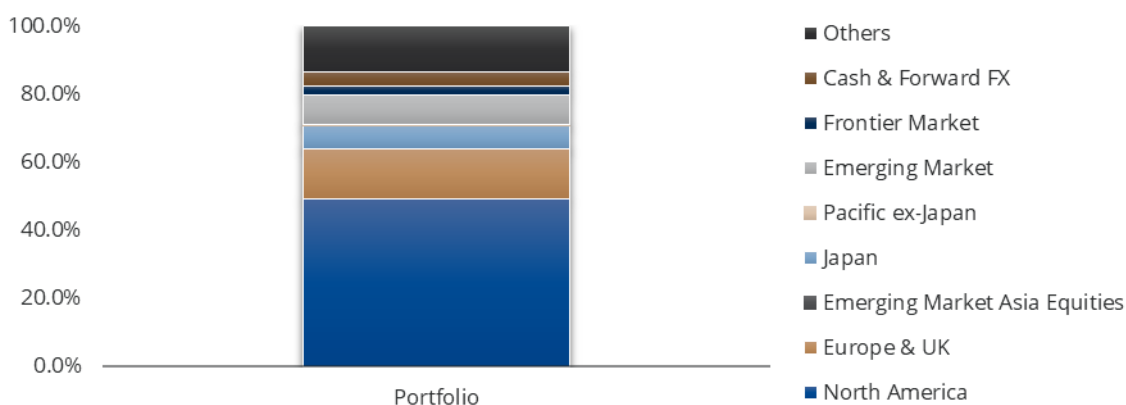
The allocations are scaled to the portfolio's total equity/fixed income allocation. Figures are based on unaudited values.

### Fixed Income: Issuer type



Source: BlackRock 31 March 2022

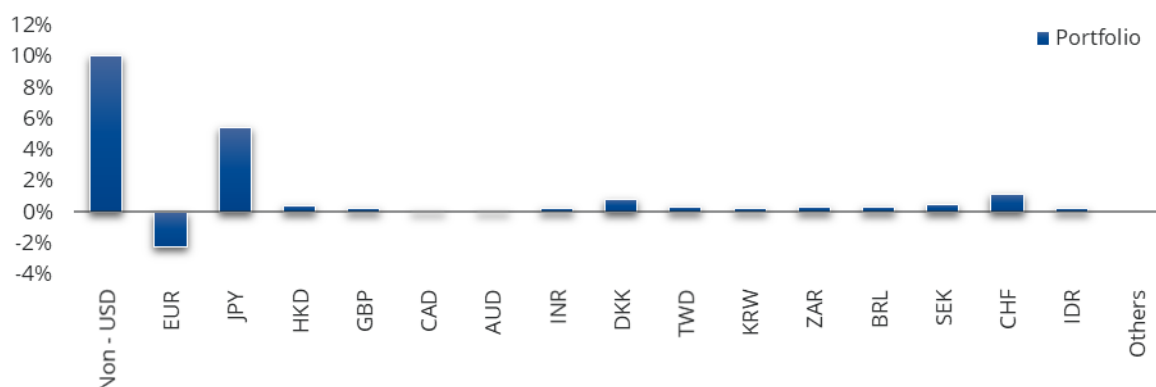
### Country allocation



Source: BlackRock 31 March 2022



## Currency allocation



BlackRock, data as of 31 March 2022. Figures are based on unaudited values.

## Performance contribution

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

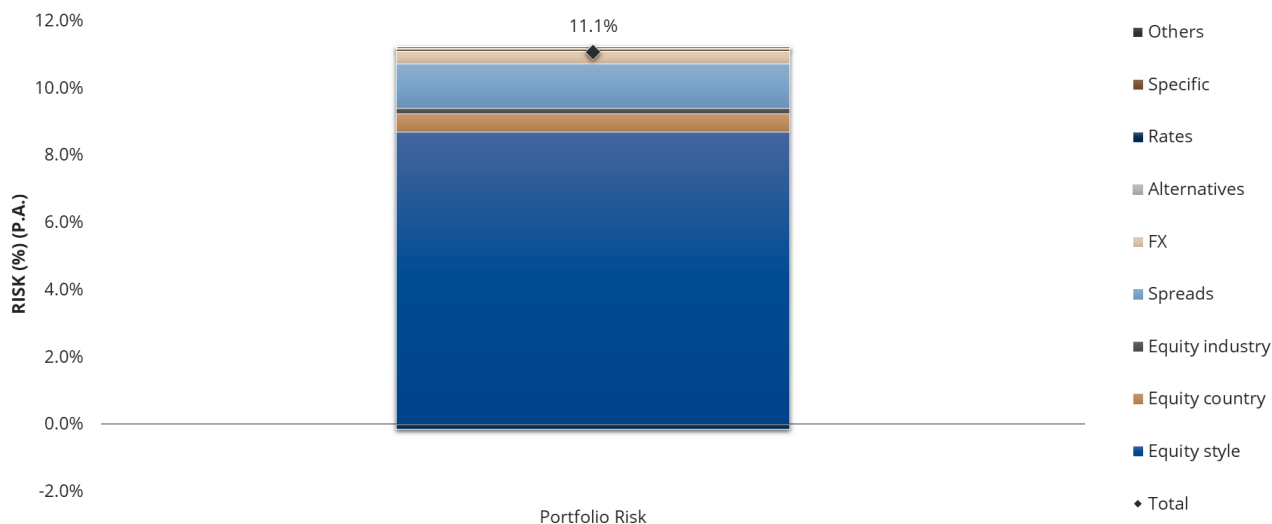
	MTD(%)	YTD(%)
<b>Equities</b>	<b>1.77%</b>	<b>-4.62%</b>
iShares MSCI USA ESG Enhanced UCITS ETF	0.82%	-1.08%
BlackRock Advantage US Equity Fund (Class D Acc)	0.00%	0.00%
BGF Continental European Flexible Fund (Class D2 USD Hedged)	0.29%	-1.04%
Schroders ISF Emerging Markets Fund	-0.15%	-0.75%
American Century Global Small Cap Equity Fund	0.03%	-0.55%
iShares MSCI Japan ESG Enhanced UCITS ETF	-0.10%	-0.34%
iShares FTSE 100 ETF (USD Hedged Acc)	0.03%	0.06%
iShares MSCI EM ESG Enhanced UCITS ETF	-0.04%	-0.10%
BLK SUS ADV US EQ FD D ACC USD	0.91%	-0.83%
<b>Fixed Income</b>	<b>-0.42%</b>	<b>-1.81%</b>
iShares Global Government Bond UCITS ETF (USD Hedged)	-0.15%	-0.32%
Wellington Global High Yield Bond Fund	0.00%	-0.16%
iShares \$ Treasury Bond 1-3yr UCITS ETF	-0.03%	-0.06%
PGIM Global Investment Grade	-0.09%	-0.33%
Ashmore SICAV Emerging Market Debt Fund	-0.03%	-0.70%
iShares Global Inflation-Linked Bond Index Fund (Class D USD Hedged)	-0.02%	-0.04%
Neuberger Berman Emerging Market Debt Local Currency Fund	-0.08%	-0.16%
iShares \$ Corp Bond 0-3yr ESG UCITS ETF	-0.01%	-0.03%
<b>Factors Strategy</b>	<b>0.03%</b>	<b>0.02%</b>
ISHARES EDGE MSCI WORLD VALUE	0.03%	0.02%
<b>Commodities</b>	<b>0.01%</b>	<b>0.01%</b>
ISHARES PHYSICAL GOLD	0.01%	0.01%
<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>1.39%</b>	<b>-6.40%</b>

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



## Risk analysis: 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 March 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.
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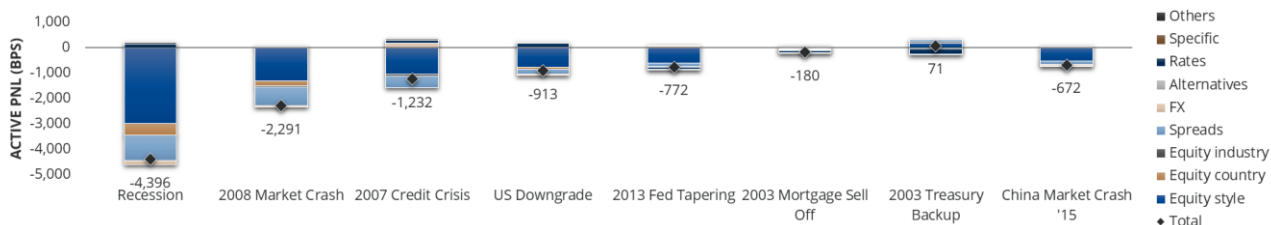




## Risk analysis: Scenario analysis

The charts below apply 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 March 2022. 1bps refers to 0.01%

### Forward-looking scenarios




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



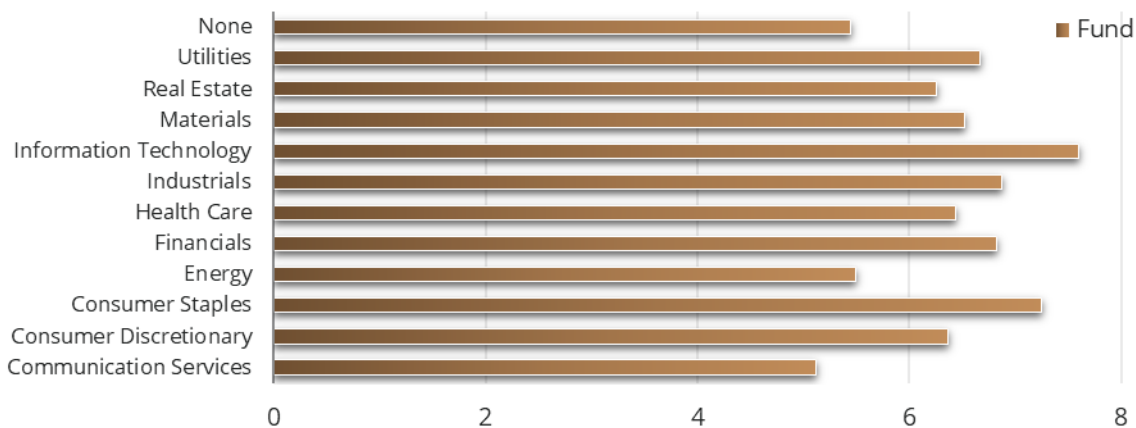
## ESG (Environmental, social, and governance) review: Carbon and ESG exposure

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.

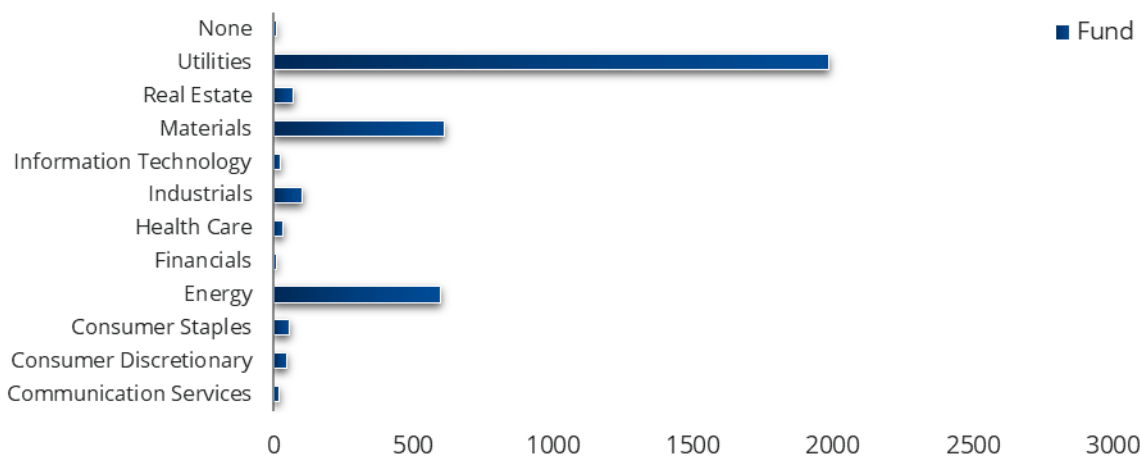
		Portfolio
ESG	<b>ESG Coverage</b>	85.0%
	% Market Value	
	<b>ESG Adjusted Score</b>	6.4
	0 (worst) - 10 (best)	
	<b>Environment Score</b>	6.4
	0 (worst) - 10 (best)	
	<b>Social Score</b>	5.5
	0 (worst) - 10 (best)	
	<b>Governance Score</b>	5.2
	0 (worst) - 10 (best)	
Carbon	 <b>BLACKROCK®</b>	Fund
	<b>Emissions Intensity (Tot. Capital) - Latest</b>	74.7
	(metric tonnes / \$ million total capital)	
	<b>Emissions Intensity (Sales) - Latest</b>	140.6
	(metric tonnes / \$ million total sales)	



### ESG Adjusted Score by Sector



### Emissions Intensity (Sales) - Latest by Sector



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



# 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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Risk disclosure:

<http://www.discovery.co.za/assets/discoverycoza/corporate/risk-disclosure.pdf>

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