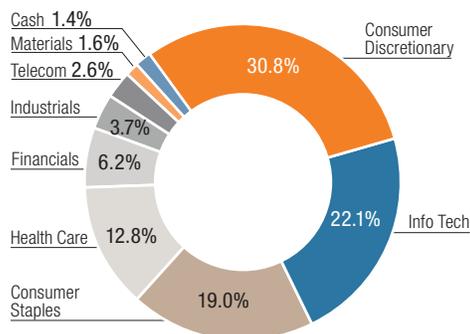


# Asia Great Consumer Fund

1Q2017 Commentary

A: MGCEX C: MGCCX I: MGCIX

## Sector Holdings (AS OF MARCH 31, 2017\*)



\*These will change and should not be considered recommendations.

## Performance (AS OF MARCH 31, 2017)

	ASIA GREAT CONSUMER CLASS I (%)	MSCI AC ASIA EX-JAPAN INDEX (%)
1Q2017	11.95	13.39
1 Year	4.19	17.47
3 Year (annualized)	2.61	4.66
5 Year (annualized)	5.64	4.77
Since Inception <sup>†</sup> (annualized)	3.21	3.95

<sup>†</sup>9/24/10

*The Fund's investment manager, Mirae Asset Global Investments (USA) LLC ("Mirae Asset USA"), has contractually agreed to forego its management fee and, if necessary, to reimburse the Fund so that total operating expenses (excluding interest expense, taxes, brokerage commissions and certain other Fund expenses) of the Fund do not exceed 1.25% (for Class I Shares) of average daily net assets through August 31, 2017. Total annual fund operating expenses for Class I shares: 1.61%. Each share class may have to repay Mirae Asset USA some of these amounts foregone or reimbursed within three years if total operating expenses fall below the expense cap described above. Past performance does not guarantee future results. The performance data quoted represent past performance and current returns may be lower or higher. Share prices and investment returns fluctuate and an investor's shares may be worth more or less than original cost upon redemption. For periods less than one year, performance is cumulative. For performance data current to the most recent month-end please call 1-888-335-3417.*

## Market Review

Asia ex-Japan equities, as represented by the MSCI AC Asia ex-Japan Index, rallied sharply and delivered a strong return of 13.39% for the first quarter ending March 31, 2017. Asia ex-Japan outperformed both the broader emerging markets universe and the developed world. The large style rotation into deep value, cyclical stocks that equity markets experienced in 2016 reversed in the first quarter of 2017 as growth stocks broadly outpaced value. As anticipated, the U.S. Federal Reserve (Fed) raised its target rate in March, but conveyed a relatively dovish statement. This reassurance that the slope of future rate hikes would be less aggressive than originally feared triggered a follow-on surge in Asian and emerging market stocks broadly. During the quarter the U.S. dollar fell against most other major currencies, whereby select Asian currencies such as the South Korean won and the Indian rupee posted some of the strongest gains. In equities, the markets that led the way were India, South Korea, China,

and Taiwan, all which registered strong double-digit returns in USD terms. India fared well from a better than expected economic and political climate. The economy registered 7% GDP growth for the fourth quarter of 2016, which alleviated concerns that demonetization effects would be much worse. In politics, Prime Minister Modi's ruling party surprised the market in March's state elections by achieving a landslide win in India's largest state, Uddar Pradesh. This decisive victory leaves the party well placed to retain power in the 2019 general elections and to press forward with key economic reform items that should boost India's future growth. South Korea's market benefited from gains in select technology shares and a stronger won, albeit against a backdrop of political turmoil with the impeachment of President Park Geun-hye. In China, key macro data continued to demonstrate that the economy is improving. A stronger Chinese currency against the U.S. dollar also contributed to sentiment.

## Fund Review

Mirae Asset Asia Great Consumer Fund (MGCIX) underperformed its benchmark, the MSCI AC Asia ex-Japan Index, during the first quarter ending March 31, 2017. The Fund gained 11.95% whereas the benchmark closed up 13.39%.

### Key Contributors to Performance

- On a sector basis, Consumer Discretionary contributed the most to the Fund's relative performance due mainly to stock selection. In particular, stocks tied to the Chinese consumer contributed most of the positive attribution. Allocation and stock selection effects in Financials also had a positive effect.
- With regard to geography, China was by far the biggest contributor due to stock selection effects. Our overweight to India also had a positive effect. However, it is instructive to keep in mind that the portfolio's country weightings are mainly a function of bottom-up stock selection rather than targeted allocations to particular countries.

- On the stock level, the strongest contributors to the Fund's relative performance during the quarter were Alibaba Group, Ctrip.com, and Britannia Industries.

### Key Detractors from Performance

- On a sector basis, the largest detractor from relative performance was Health Care due to both stock selection and allocation effects. Health Care delivered less robust returns than most other sectors in the index so the Fund's significant overweight was a drag. An overweight allocation to Consumer Staples also hurt performance.
- Relating to geography, South Korea was the biggest detractor from relative performance due to both stock selection and allocation effects. Stock selection and allocation effects in Thailand also had a negative impact.
- On the stock level, the biggest detractors from relative performance during the quarter were Amorepacific Corp., Bangkok Dusit Medical Services, and Universal Robina Corp.

## Outlook

The macroeconomic backdrop for Asia ex-Japan and emerging markets broadly seems to have improved markedly from this time last year. Indicators have been suggesting that global output and trade are accelerating, which should improve prospects for emerging Asia. There is reason to believe that, finally, we are at the outset of a synchronized global GDP recovery. Our outlook for Asia and in particular, China, is constructive. We're seeing the first signs of a positive turnaround in earnings revisions in Asia ex-Japan, which were negative for the past several years. In China, better than expected fourth quarter results from Chinese companies, especially in consumer discretionary, have been encouraging. We remain constructive on India over

the long-term, particularly in light of the economic reform prospects there. Countries in Southeast Asia such as Thailand and Indonesia are benefiting from improved economic fundamentals, helped by expanding exports. Moreover, their currencies have demonstrated strong resilience despite the U.S. Fed rate hike in March.

Mirae Asset's Great Consumer strategy continues to be driven by fundamental, bottom-up stock selection and remains focused on identifying high-quality companies which are best placed to benefit from sustained, secular growth in spending by an expanding emerging markets consumer base. We believe that amid uncertainties regarding the outlook for

macro factors such as oil prices and politics, select long-term consumer-driven trends have a more clear direction. Our approach seeks to invest in companies benefiting from such enduring trends, and which possess sustainable competitive advantages including superior management, product differentiation, a dominant competitive position, pricing power, and balance sheet strength. We maintain the view that over the long-run, share prices reflect company earnings and fundamentals. The portfolio's key exposures remain e-commerce, internet, and tourism in North Asia, and hospitals and traditional consumer staples and discretionary in South Asia.

**Gross Domestic Product (GDP)** is the monetary value of all the finished goods and services produced within a country's borders in a specific time period.

**The Association of Southeast Asia Nations (ASEAN)** is the organization of countries in Southeast Asia set up to promote cultural, economic and political development in the region.

**MSCI All Country (AC) Asia ex-Japan Index** captures large and mid cap representation across four of five developed market countries (excluding Japan) and 8 emerging markets countries in the Asia Pacific region. Investing in an index is not possible..

### Important information:

**An investor should consider an investment in the Funds as a long-term investment. The Funds' returns will fluctuate over long and short periods.** The Funds cannot guarantee that they will achieve their investment objective. As with all investments, there are certain risks of investing in the Funds, and you could lose money on an investment in the Funds. Certain risks related to an investment in the Funds are summarized below:

- **Equity securities (stocks)** are more volatile and carry more risk than other forms of investments, including investments in high-grade fixed income securities. The net asset value per share of this Fund will fluctuate as the value of the securities in the portfolio changes
- **Emerging market investing** may be subject to additional legal, economic, political, liquidity, and currency risks not associated with more developed countries
- **Geographic concentration risk:** A small number of companies and industries may represent a large portion of the market in a particular country or region, and these companies and industries can be sensitive to adverse social, political, economic or regulatory developments in that country or region

**An investor should consider the Fund's investment objectives, risks, charges and expenses carefully before investing. This and other important information about the investment company can be found in the Fund's prospectus and summary prospectus. To obtain a prospectus or summary prospectus, please contact your financial advisor or please call 1-888-335-3417. Please read the prospectus carefully before investing.**

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