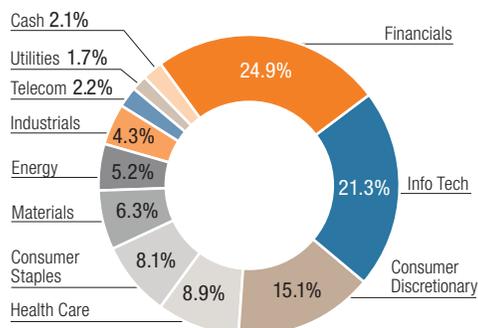


# Emerging Markets Fund

3Q2016 Commentary

A: MALGX C: MCLGX I: MILGX

## Sector Holdings (AS OF SEPTEMBER 30, 2016\*)



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

## Performance (AS OF SEPTEMBER 30, 2016)

	EMERGING MARKETS CLASS I (%)	MSCI EMERGING MARKETS INDEX (%)
3Q2016	9.85	9.03
1 Year	17.04	16.78
3 Year (annualized)	1.88	-0.56
5 Year (annualized)	4.78	3.03
Since Inception <sup>†</sup> (annualized)	0.50	-0.10

<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: 3.59%. 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

Emerging market equities delivered a strong result for the third quarter ending September 30, 2016. The MSCI Emerging Markets Index led global market gains and closed up 9.03%, outperforming the MSCI World Index's 4.87% return for the same period. Year-to-date, the MSCI Emerging Markets Index is up 16.02% versus the MSCI World Index which advanced 5.55%. The quarter saw the continuation of improved sentiment and strong portfolio flows into emerging markets, for both equities and fixed income. Much of this was driven by global investors' continued search for yield and growth, but improved fundamental indicators also played a part. During the third quarter, commodity prices were relatively stable. Oil prices rallied in late September after an agreement was made at an informal meeting of

OPEC members to limit production levels. Emerging market currencies broadly were resilient, and the US dollar, though volatile throughout the period, ended basically flat over the quarter. Regionally, Asia was the strongest performer, led by China where fears about slowing growth and the currency have moderated. Brazil, which led gains in Latin America, was notable during the quarter as former President Rousseff was ousted from office after a long-awaited impeachment trial. In emerging Europe, Russia saw continued strength amid supportive oil prices and a firmer ruble. In contrast, Turkey lost ground after a failed military coup attempt in July and subsequent downgrades in the country's sovereign credit rating to below investment grade status by two major rating agencies.

## Fund Review

Mirae Asset Emerging Markets Fund (MILGX) outperformed its benchmark, the MSCI Emerging Markets Index, during the third quarter ending September 30, 2016. The Fund gained 9.85% whereas the benchmark closed up 9.03%.

### Key Contributors to Performance

- On a sector basis, Energy contributed the most to the Fund's relative outperformance, mainly due to stock selection. In particular within Energy, our overweight position in Brazil's oil giant Petrobras had a positive impact. Stock selection in Consumer Discretionary also had a positive impact.
- With regards to geography, the strongest contributor was India due to stock selection. An overweight allocation to Hong Kong also helped as Hong Kong is not in the benchmark but was a strong market performer in the period. However, it is instructive to keep in mind that the portfolio's country weightings are a function of bottom-up stock selection rather than targeted allocations to particular countries.

- On the stock level, the top contributors to the Fund's relative performance during the quarter were Petrobras, KAZ Minerals, and Banco do Brasil.

### Key Detractors from Performance

- On a sector basis, Financials was the biggest detractor from relative performance mainly due to stock selection. Information Technology also had a negative impact as a result of both allocation and stock selection effects.
- Relating to geography, South Korea detracted most from relative performance mainly due to stock selection. The Fund's overweight allocation to the Philippines also hurt performance as the Philippines was one of the few emerging markets to post a negative return during the quarter.
- On the stock level, the biggest detractors from relative performance during the quarter were Cognizant Technology, Korea Electric Power, and Universal Robina.

## Outlook

We have begun to see the growth differential between emerging and developed markets widen again as growth normalizes in many emerging countries that are undergoing economic recoveries. These recoveries can present attractive investments at depressed earnings cycles and compelling valuations. Improving profitability at the company level coupled with improving relative growth in emerging market economies provides a positive backdrop for the asset class to continue to perform well. The search for yield and growth which we believe will remain in place for some time also is a strong fundamental driver that should be supportive of the virtuous cycle of positive asset flows supporting currencies and emerging market bond yields and, in turn, the financing needs of emerging market companies as they continue their

investment and growth cycle. Nonetheless, global market conditions remain fragile and market volatility likely will persist. Global politics, and the US elections in particular, present continued uncertainty. No doubt the US Federal Reserve's (Fed) actions before year-end will attract attention and be watched closely by the market. We expect that the slow and marginal rate hike cycle the Fed is undertaking should not derail the emerging markets growth path and, if anything, may provide a more stable US dollar that tempers market volatility and attracts further investment.

While we believe that certain macro concerns have abated and provide support for emerging markets broadly, we prefer to focus on investment drivers that more predictable and enduring, and less dependent on external fac-

tors. Mirae Asset's Emerging Markets strategy continues to be driven by fundamental, bottom-up stock selection and seeks to invest in high-quality companies that have structural advantages and the ability to provide sustained superior returns due to better management teams and more attractive operating conditions. We maintain the view that over the long-run, share prices reflect company earnings and fundamentals. We believe that the fundamentals of our holdings remain attractive, and as such, expect that they should deliver rewarding results over the full market cycle. In the third quarter of this year, the Fund remained meaningfully overweight the Consumer Discretionary and Health Care sectors.

**MSCI Emerging Markets Index** is a free float –adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. Investing in an index is not possible.

**Organization of the Petroleum Exporting Countries (OPEC)** is a permanent intergovernmental organization of 14 oil-exporting developing nations that coordinates and unifies the petroleum policies of its member countries.

**The MSCI World Index** captures large and mid cap representation across 24 Developed Markets countries.

**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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