

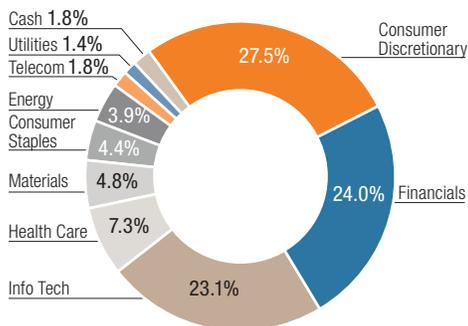
# Asia Fund

2Q2017 Commentary

**MIRAE ASSET**  
Global Investments

A: MALAX C: MCLAX I: MILAX

## Sector Holdings (AS OF JUNE 30, 2017\*)



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

## Performance (AS OF JUNE 30, 2017)

	ASIA CLASS I (%)	MSCI AC ASIA EX-JAPAN INDEX (%)
2Q2017	8.62	7.74
1 Year	23.91	26.73
3 Year (annualized)	5.18	5.02
5 Year (annualized)	9.90	7.97
Since Inception <sup>†</sup> (annualized)	5.52	5.03

<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: 2.22%. 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, delivered a strong return of 8.40% for the second quarter ending June 30, 2017. Asia ex-Japan outperformed both the broader emerging markets universe and the developed world. Growth stocks also continued to outpace value.

Strong performance in Asia ex-Japan was driven by China, South Korea, and Taiwan. Chinese consumer sentiment and retail spending remain robust. Retail sales grew 10.7% year-over-year in May 2017, up from 10.0% year-over-year in May 2016. MSCI's decision to add Chinese A-shares to its EM and ACWI market indices was also another positive market driver. The South Korean equity market reached record highs, boosted by foreign buying, rising corporate earnings, and optimism over the election of President

Moon. An export recovery in Taiwan has picked up momentum. In particular, exports of electronic components to China jumped in anticipation of strong demand from a new smartphone cycle in the second half of the year.

India posted a positive return in the second quarter but lagged the overall emerging Asia region as companies faced disruptions, including inventory destocking and price discounts, from the Goods and Services Tax implementation. The ASEAN region, with the exception of Indonesia, also lagged behind their Asian peers despite posting a gain in the second quarter. Standard & Poor's upgraded Indonesia's credit rating to investment grade and this provided a boost to Indonesian equities.

## Fund Review

Mirae Asset Asia Fund (MILAX) outperformed its benchmark, the MSCI AC Asia ex-Japan Index, during the second quarter ending June 30, 2017. The Fund registered a return of 8.62% whereas the benchmark closed up 7.74%.

### Key Contributors to Performance

- On a sector basis, the biggest contributor to the Fund's relative performance was Financials mainly due stock selection. Stock selection in Energy also had a positive effect.
- With regards to geography, China was the leading contributor mainly due to stock selection. Allocation and stock selection effects in Hong Kong also had a positive impact. 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 biggest contributors to the Fund's relative performance during the quarter were JD.com, Midea Group, and Alibaba Group.

### Key Detractors from Performance

- On a sector basis, the biggest detractor from the Fund's relative performance was Consumer Discretionary due to stock selection. Allocation effects and stock selection in Health Care also had a negative impact.
- Relating to geography, South Korea detracted the most because of stock selection. Allocation effects in India also had a negative impact. India delivered less robust returns than most other countries in the index so the Fund's significant overweight was a drag.
- On the stock level, the biggest detractors were Thai Beverage Public Co., Hyundai Motor Company, and Samsung Engineering Co.

## Outlook

We continue to have a positive outlook for the emerging Asian region as fundamentals continue to show signs of further strengthening. In the near term, US interest rate hikes and balance sheet contraction by global central banks may weigh slightly on investor sentiment. However, as the market gains more confidence from the synchronous global economic recovery and improving investment cycle, the focus should be on revenue and earnings uplift.

While we believe that the current environment provides support for emerging Asia broadly, we prefer to focus on investment drivers that are more predictable and enduring, and less dependent on external factors. Mirae Asset's investment strategy for the Asia Fund continues to be driven by fundamental, bottom-up stock selection. It seeks to invest in high-quality companies that are leaders or potential leaders in their industries and that likely will benefit from broad growth across Asia. These

companies typically 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. In the second quarter of this year, the Fund remained meaningfully overweight the Consumer Discretionary and Health Care sectors.

**The Association of Southeast Asia Nations (ASEAN)** is the monetary value of all the finished goods and services produced within a country's borders in a specific time period.

**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.

**MSCI All Country World Index (MSCI ACWI)** captures large and mid cap representation across 23 Developed Markets and 21 Emerging Markets countries.

**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.

**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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