Commentary | 3Q20

Emerging Markets Great Consumer Fund

A: MECGX C: MCCGX I: MICGX

MIRAE ASSET Global Investments

Market Review

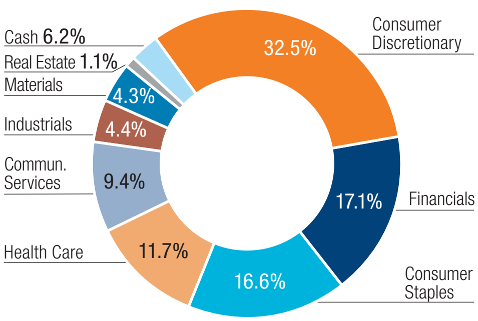
After a strong rebound in the second quarter, emerging market (EM) equities added another 9.56% in the third quarter of 2020. The strong performance came from a combination of factors. In terms of Covid-19, we saw divergent, but powerful recoveries. China, Taiwan, and South Korea continued their success in combating the virus and moved further along the path of economic normalization. However, case numbers continued to proliferate in India, Brazil and Mexico. That said, many governments made the decision to gradually re-open their economies, which has led to upticks in industrial production, consumer confidence, and economic growth. From an investor perspective, we are seeing some silver linings in the form of a structural shift from asset heavy brick and mortar businesses to growing popularity and adoption in e-commerce, remote learning, telehealth, and digital banking – all of which should drive margin expansion and earnings growth. After a 90%+ run in the second quarter, oil prices remained flat in the third quarter. Perhaps most importantly, we continued to see downward pressure on the US dollar (as measured by the DXY) due to unprecedented monetary and fiscal stimulus by the United States.

Asia ex-Japan equities were up 10.66% in the third quarter. In the last few months, tensions rose between the US and China with reciprocal consulate closures, a push by the Trump administration to ban WeChat and TikTok, and a tightening of restrictions on Chinese chip makers. On the positive side, China has completely opened up its mutual fund industry to foreign companies, signalling a willingness to open up its capital markets. China also announced a "dual circulation" strategy where the country will continue to expand production for exports (external circulation) while emphasizing production for domestic consumption (internal circulation). During the quarter, India's equity market rebounded and was one of the best performing markets in emerging Asia. The Indian government has been gradually lifting its lockdown restrictions and expect to be fully open in the coming months. The Reserve Bank of India passed a one-time loan restructuring scheme to help companies and individuals manage Covid-19 related stress.

In South Korea, the government imposed stricter social distancing rules in August for the greater Seoul area to combat a wave of new infections. The Korean government also unveiled plans to support the economy by aggressively increasing spending for the next few years. The ASEAN region continued to lag in market performance relative to its North Asian counterparts, though manufacturing conditions appear to have stabilized in the Philippines and in Thailand by the end of the quarter.

After double digit rebounds in the second quarter, the Latin American and EEMEA (Eastern Europe, Middle East & Africa) regions both remained relatively flat in the third quarter. Saudi Arabia, Qatar, and Argentina's equity markets outperformed, while Turkey, Hungary and the Czech Republic were laggards. Saudi Arabia rose on a combination of factors: (1) it was one of the rare markets where dividend yields were above the bond yield, (2) domestic inflows into the equity market, and (3) speculation of the Kingdom signing the Abraham Accords (following Israel, the UAE, and Bahrain). Qatar also performed well due to improved geopolitics in the region, efforts to increase output in the petrochemicals sector, and outperformance from real estate names in a low rate environment. Argentina benefitted from its substantial benchmark weighting to technology services, along with support from a weaker US dollar. Turkish equities fell over 15% due to a growing current account deficit and the government's interference with monetary policy. Hungary and the Czech Republic were also poor performers due to a second wave of Covid infections in central Europe, euro concerns around Brexit, and low interest rates weighing on the margins of prominent banks in the region.

Sector Holdings (AS OF SEPTEMBER 30, 2020*)



*These will change and should not be considered recommendations. May not add to 100% due to rounding.

Performance (AS OF SEPTEMBER 30, 2020)

	EMERGING MARKETS GREAT CONSUMER CLASS I (%)	MSCI EMERGING MARKETS NR INDEX (%)
3Q2020	9.45	9.56
1 Year	18.76	10.54
3 Year (annualized)	9.51	2.72
5 Year (annualized)	11.85	8.97
10 Year (annualized)	6.56	2.50
Since Inception† (annualized)	6.67	2.71

†9/24/10

Net total return indices reinvest dividends after the deduction of withholding taxes.

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 1.15% (for Class I Shares) of average daily net assets through August 31, 2021. Total annual fund operating expenses for Class I shares: 1.33%. 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.

Fund Review

Mirae Asset's Emerging Markets Great Consumer Fund (MICGX) gained 9.45% in the three-month period ending September 30, 2020, while the MSCI Emerging Markets Index returned 9.56%.

Key Contributors to Performance

- On a sector basis, Consumer Discretionary contributed the most to the Fund's relative performance due allocation effects. Communication Services also had a positive impact due to both stock selection and allocation effects.
- With regards to geography, the largest contributions came from stock selection in China and Russia. Though our allocation to India also helped, 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 Alibaba Group, Apollo Hospitals, and China Tourism Group Duty Free Corp.

Key Detractors from Performance

- On a sector basis, the largest detractor from relative performance was our zero exposure to Information Technology, one of the best performing sectors in the third quarter.
- Relating to geography, we saw the largest detractions from our underweight positioning in Taiwan and South Korea.
- On the stock level, the biggest detractors were Taiwan Semiconductor, Alibaba Health Information Technology and Ping An Healthcare and Technology.

Outlook

Starting with the US presidential election, we believe that EM may benefit from either party winning in November's election. A Republican win could signal more isolationism, higher tariffs, lower US unemployment, and ultimately more inflation — which should weaken the US dollar and present a possible boost for EM equities. A Democratic win, we believe, would imply a return towards more free trade, cross-border opportunities, improved government relationships, and better sentiment across EM economies — potentially strengthening EM equities.

In terms of Covid-19, North Asia returning to normalized economic activity may lead to a significant EM rebound from the pandemic, in our view. Additionally, most countries in EM cannot afford an extended lock-down period and are reopening their economies. Expectations for marginal increases in 2020 unemployment remain far lower in EM than in the US and Europe, and this should be a key driver for EM earnings.

Though EM had a strong third quarter, the asset class remains under-owned relative to global benchmarks and undervalued compared to developed markets. We also believe that these markets should benefit from long term structural opportunities such as low penetration rates, significant catch-up opportunities, leaps in technology, and tangible political and economic reforms. The asset class has continued to move away from asset heavy, low return industries and towards services, innovation, and high return business models – all of which may create a more attractive backdrop for active managers.

Mirae Asset's Emerging Markets Great Consumer Fund focuses on identifying companies with high-quality management teams and business models that are best placed to benefit from secular growth in domestic spending across emerging markets. Our investment strategy utilizes a fundamental, bottom-up approach to invest in companies that may benefit from such enduring trends and which have shown to possess sustainable competitive advantages, including strong management, product differentiation, a dominant competitive position, pricing power, and balance sheet strength.

Portfolio Managers

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All index returns are sourced from MSCI and are net total returns unless otherwise noted. Index returns are shown in USD terms.

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.

Current Account Deficit (CAD) is a measurement of a country's trade where the value of the goods and services it imports exceeds the value of the products it exports.

DXY is a US Dollar Index that measures the value of the United States Dollar against a weighted basket of currencies used by US trade partners.

Flight-To-Quality Trade occurs when investors, in aggregate, begin to shift their asset allocation away from riskier investments and into safer ones, for instance selling out of stocks and buying into bonds.

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

MSCI Emerging Markets Index captures large and mid cap representation across 24 Emerging Market countries.

Value-added tax (VAT) is a consumption tax placed on a product whenever value is added at each stage of the supply chain, from production to the point of sale.

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:

Market Turbulence Resulting from Covid-19: The outbreak of Covid-19 has negatively affected the worldwide economy, individual countries, individual companies and the market in general. The future impact of Covid-19 is currently unknown, and it may exacerbate other risks that apply to the Fund.

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

Credit quality ratings are sourced from Standard & Poor's (the "S&P"), Moody's and Fitch's. Ratings values are based on the higher of either S&P, Moody's or Fitch's. If none of the rating agencies have assigned a rating the Fund will assign a rating of NR (non-rated security). The ratings represent their (S&P, Moody's, Fitch's) opinions as to the quality of the securities they rate. The ratings from AAA (S&P, Fitch's) or Aaa (Moody's) (extremely strong capacity to meet its financial commitment) to D (S&P, Fitch's) or C (Moody's) (in default). Ratings are relative and subjective and are not absolute standards of quality. The ratings provided relate to the underlying securities within the fund and not the fund itself.

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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