Emerging Markets Fund

A: MALGX C: MCLGX I: MILGX

MIRAE ASSET
Global Investments

Market Review

Emerging Markets (EM) equities fell 11.3% in the second quarter ending June 30, 2022, but outperformed Developed Markets (DM) by 4.7%.[1]

Though the asset class fared better than the US and Europe, it marked the fourth consecutive quarter of negative returns for EM. Key drivers behind first quarter performance spilled into the second quarter as the war in Ukraine led to higher geopolitical risk, supply disruptions, higher inflation, more hawkish policies in DM, a stronger US dollar (USD), and increased risk for a global recession. This dynamic creates a particularly challenging environment for EM growth stocks as investors are forced to discount future returns with higher costs of capital. However, EM provided relative resilience due to two factors. One, most EM central banks found themselves ahead of the Fed in regards to rate hiking cycles and their combat on inflation. Two, China began to ease its draconian lockdowns across major cities, leading investors to move back into names that should benefit from low valuation multiples, monetary easing, and fiscal stimulus. Oil prices rallied approximately another 5.5% after the 45% climb in the first quarter, which also helped oil-exporting countries in the Middle East and Latin America.

In the second quarter, the MSCI China Index was up 3.5% and was the only country in the MSCI ACWI benchmark to deliver a positive return. Continuing its rebound from May, Chinese equities rallied in June on the relaxation of mobility restrictions across the country and additional fiscal support for consumption. Signals of a potential reduction in US tariffs on Chinese goods also boosted investor sentiment while cooling commodity prices helped ease margin concerns. In April, Chinese authorities announced a 25 basis point (bps) cut to the reserve requirement ratio for banks. Additionally, in a bid to cushion the weak housing market, first home mortgage loans were reduced by 20 bps and the 5-year loan prime rate by 15 bps in May.

Indian equities were down 13.5% in the quarter on concerns of rising interest rates and elevated inflation. Following the surprise 40 bps hike by the Reserve Bank of India in early May, the Monetary Policy Committee raised the policy rate by another 50 bps to 4.9% in June. The Indian government saw record tax revenues of 27.1 trillion rupees (approximately $350 billion) for its fiscal year ending March 2022, with continued momentum leading to expectations that fiscal year 2023 gross taxes could be better than budgeted. Foreign Institutional Investors remained net sellers of Indian equities for the third consecutive quarter, while Domestic Institutional Investors remained large net equity buyers for over five quarters.

Korea was the worst-performing market in Emerging Asia, with equities falling 20.8% in the second quarter. Korean equities saw a slight uptick in May on improving investor sentiment following President Biden's visit to Korea. However, this was dampened by the Bank of Korea's 25 bps policy rate hike to 1.75%, and the forecast for the 2022 average annual inflation rate rose sharply to 4.5%. In June, underperformance was driven by the Fed's hawkish interest rate hike, elevated inflation for domestic and US CPI prints, and concerns on the tech cycle downturn. Inflation accelerated at its fastest pace in 24 years as the CPI rose 6.0% year-over-year in June, up from 5.4% in May.

In Taiwan, equities declined 19.6%. In April, Taiwanese equities corrected due to worries of a demand slowdown for consumer technology. While first quarter 2022 earnings came in strong for semiconductor names, share price performance was weak as investors braced for a potential down cycle. In May, we saw a positive rebound driven by news of easing restrictions in Shanghai; however, the gains reversed in June amid the Fed's hawkish interest rate hike and concerns of global growth. Manufacturing PMI weakened for the sixth consecutive month to 49.8 in June, recording the lowest reading since June 2020 and reflecting the uncertainty in external demand.

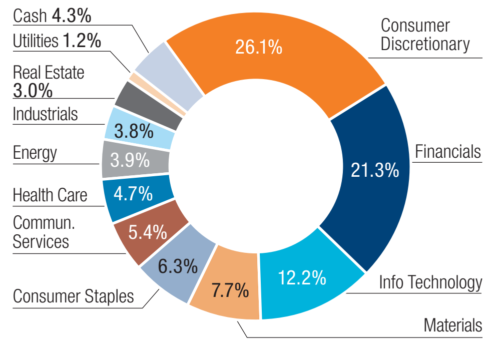
After a strong first quarter, ASEAN markets corrected in the second quarter, with Indonesia, Thailand, and Malaysia falling 8.8%, 10.6%, and 12.8%, respectively. Foreign outflows increased across the region in June as investors became concerned about markets with high exposure to energy imports. In Thailand, foreign investors turned into net sellers (-$802 million) for the first time since November 2021, while Indonesia recorded its largest net monthly equity foreign outflows (-$501 million) in June.

[1]Source: MSCI. EM represented by the MSCI Emerging Markets Index. DM represented by the MSCI World Index. In the second quarter ending June 30, 2022, the MSCI World Index returned -16.05%.

After a robust first three months of the year, Latin America declined 21.7% in the second quarter. The EEMEA (Eastern Europe, Middle East, and Africa) region fell 17.0% over the quarter, dragged down by Eastern Europe. The Czech Republic, Kuwait, and Qatar performed the best across EM outside of Asia, while Peru, Colombia, and Poland performed the worst. Kuwait and Qatar showed relative resilience due to their USD peg, higher oil prices, and banks benefitting from higher interest rates. The Czech Republic benefitted from one energy company representing roughly 68% of its concentrated benchmark. On the negative side, Peru suffered from calls for President Castillo to step down, and increasing expectations of a global recession pressured copper prices. Colombia deteriorated with the election of President-elect Gustavo Petro, a former member of the guerrilla 19th of April movement who ran on pillars based on higher taxes and wealth redistribution. Poland's weakness stemmed from regional geopolitical tension, inflation pressure, higher interest rates, slower growth, and uncertain regulation in the banking sector.

Sector Holdings

(AS OF JUNE 30, 2022*)



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

Fund Review

Mirae Asset's Emerging Markets Fund (MILGX) outperformed its benchmark by 1.52% in the quarter ending June 30, 2022. The MSCI Emerging Markets Index fell 11.45%, while the Fund declined 9.93% during the period.

Key Contributors to Performance

- On a country basis, the largest contributor to Fund performance came from our significant underweight to Taiwan. Though we were also underweight China relative to the benchmark, stock selection in China added to performance.
- From a sector perspective, the Fund's overweight in Consumer Discretionary contributed the most to performance. The Fund's underweight to Information Technology also had a positive impact.
- On a stock level, the top contributors to the Fund's relative performance were Tongwei Co. and Mahindra & Mahindra. Both companies posted gains above 30% over the period.

Key Detractors from Performance

- Geographically, the largest detractor of relative performance came from the Fund's allocation to off-benchmark countries, Singapore and Argentina.
- From a sector perspective, stock selection in Communication Services and Real Estate detracted the most, taking away a combined 135 basis points from performance.
- On the stock level, the main detractors to the Fund's relative performance in the quarter came from off-benchmark companies Sea Ltd. and MercadoLibre.

Performance

(AS OF JUNE 30, 2022)

	EMERGING MARKETS CLASS I (%)	MSCI EMERGING MARKETS NR INDEX (%)
2Q2022	-9.93	-11.45
1 Year	-25.12	-25.28
3 Year (annualized)	1.18	0.57
5 Year (annualized)	2.54	2.18
10 Year (annualized)	4.26	3.06
Since Inception† (annualized)	2.59	1.96

†9/24/10

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

Top Ten Holdings

COMPANY	WEIGHTING (%)
Alibaba Group	4.42
Taiwan Semiconductor Manufacturing	3.90
Tencent Holdings	3.22
Tongwei Co.	3.04
JD.com	2.99
Meituan	2.93
IHH Healthcare	2.79
ICICI Bank	2.49
Reliance Industries	2.47
Phu Nhuan Jewelry JSC	2.44
Total	**30.69**

The portfolio holdings and allocations will change and the information provided should not be considered as a recommendation to purchase or sell a particular security. There is no assurance that the securities mentioned remain in the Fund's portfolio or that securities sold have not been repurchased.

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, 2022. Total annual fund operating expenses for Class I shares: 1.55%. 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.

Notable Trades

Information Technology

GoerTek—China: We added GoerTek as it is the world's largest virtual reality (VR) device manufacturer and the second-largest assembler of Apple AirPods. The company's diversified capacity plus the resilient demand for VR/AirPods should offset pandemic disruptions, and we anticipate continued profit growth over the medium term.

Consumer Staples

Raia Drogasil—Brazil: Though we still like Raia Drogasil as a company, we exited after the firm missed our earnings expectations for four consecutive quarters. In addition, after speaking with management, we thought that the pivot into digital was taking longer than initially planned and could see cost overruns. We will continue to monitor Raia Drogasil, as we still believe it could be a long-term success story.

Energy

Petrobras—Brazil: The sale of Raia Drogasil created space for the purchase of Petrobras. The Fund was underweight energy, and oil prices could remain elevated through the end of the year due to supply-side constraints from Eastern Europe. Though operationally running on all cylinders and 28% expected returns on equity, the company trades at roughly 0.5x book value and roughly 2.6x earnings. With a dividend yield above 30%, we saw the discounted prices as a disconnect from fundamentals. The upside is very visible and the potential downside from this year's forthcoming elections should be protected via the significant valuation discount to history, peers, and book value.

Outlook

Looking into the remainder of 2022, there are three key areas that we believe will likely affect performance in emerging markets:

1. Interest Rates and the US Dollar: The recent inflation spike has led the Fed to pivot into a rate hiking cycle that has led to market uncertainty. Higher US interest rates create two challenges for EM equities. First, overall EM equities offer a structural story based on promises of high growth and maturation over a multi-year period. This means high duration. When interest rates move up, investors must revisit their models with higher costs of capital — meaning they are discounting their future cash flows at higher rates, leading to lower valuations. Second, higher US rates tend to attract flows, which creates a stronger USD environment. Historically, EM equities have displayed an inverse relationship with the USD. This correlation is due to the inverse relationship between the USD and commodity prices, and EM countries and the companies within them having historically funded their growth prospects with USD debt. Though the USD has strengthened, we've seen that it is normal for the currency to appreciate in the months leading up to the start of a Fed hiking cycle, but weaken in the months after. Prospects of a weaker USD could signal healthier balance sheets, lower interest expenses, and higher earnings revisions — all positives for EM equities and similar to what we have seen in past cycles. In fact, looking back at data between 1999 and 2022, EM equities have outperformed DM equities, on average, by 11% and 10%, respectively, the following 6 and 12 months after initial Fed rate hikes.[2]

2. China: The majority of the recent pullback was self-inflicted, and we believe the pendulum has swung too far. While the rest of the world is tightening monetary policy and easing fiscal stimulus, China is the only major central bank in the world cutting interest rates. The Chinese government is also extending credit, picking up spending, and reducing regulatory rhetoric. This is creating a significant amount of pent-up demand, and the coil has continued to tighten as China pushes its zero-COVID policy. The question regarding a rebound is not if, but when. At some point, China will likely fully reopen based on a combination of successful new vaccines, testing measures, and the eventual move to endemic status. This rebound in China would create a significant opportunity for EM assets.

3. Eastern Europe: The Ukraine/Russia situation has been a boost to commodity-producing countries and traditional value-oriented sectors. On the other hand, we believe countries sensitive to the geopolitical risk premium, like Turkey, Greece, Egypt, and Poland, are poised for a strong rebound if we see any sort of ceasefire or peace agreement.

China has undergone a difficult first half of the year, but the recent easing, reopening, and relative macro resilience have improved expectations of growth acceleration in the second half of 2022. From an allocation perspective, China is becoming increasingly attractive given its expansionary stance amid the global slowdown. Chinese equities (the onshore A-share market in particular) have shown low correlations with global equity markets, suggesting potentially lower spill-over impacts during a global downturn. Within the portfolio, we've increased

[2]Source: Bloomberg. EM=MSCI EM Index, DM=S&P 500. 12 mo Prior (6/30/98–6/30/99; 6/30/03–6/30/04; 12/16/14–12/16/15; 3/16/21–3/16/22); 6 mo After (6/30/99–12/30/99; 6/30/04–12/30/04; 12/16/15–6/16/16); 12 mo After (6/30/99–6/30/00; 6/30/04–6/30/05; 12/16/15–12/16/16)

the weight of our holdings in Chinese internet and travel-related names that are expected to benefit from a reopening.

Despite recent market corrections in India, we remain optimistic about the country's longer-term structural growth. The near-term risk to India's growth story is a further spike in oil prices to $150 or $175 per barrel due to dwindling Russian supply. Every $10 increase per barrel of oil is estimated to increase India's current account deficit by about 0.4% of GDP.[3] Over the medium term, however, higher oil prices should lead to a cool-down in demand and help alleviate inflationary pressures. We also expect to see an accelerated scale-up of alternative energy sources such as renewables.

In Korea and Taiwan, a slowdown in global demand presents headwinds for exporters, especially in the tech sector, where markets have already priced in order cuts. However, when considering the longer-term global transition towards digitalization and automation, the structural demand for technology remains in place. The slowdown in external demand is likely to moderate growth towards the trend rate, but we expect that leading IT names should still be able to grow at a healthy rate.

Overall, we maintain a cautiously optimistic outlook for Emerging Asian equities for the remainder of the year. In the near term, we believe markets will continue to react to the Fed's policy rate normalization while inflation remains the key focus. Sentiment is turning positive in China, where counter-cyclical measures should present new growth opportunities.

On a regional basis, we see Latin America and EEMEA as under-owned regions, which creates a significant moment for stock pickers assessing overlooked and inefficient regions. We see particularly attractive opportunities in Greece, Saudi Arabia, and overlooked domestic cyclical names in Brazil.

Mirae Asset's Emerging Markets Fund continues to focus on predictable and enduring investment drivers, such as domestic structural stories, proven business models, and strong management teams. Our Emerging Markets investment strategy continues to be driven by fundamental, bottom-up stock selection. We look to invest in high-quality companies with structural advantages that should benefit from broad growth across emerging markets. We maintain the view that over the long run, share prices reflect company earnings and we aim to take advantage of market dislocations.

Portfolio Managers

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[3]JPMorgan, as of 6/13/22

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.
Basis Points (BPS) is a standard measure for interest rates and other percentages, representing one-one hundredth of one percent.
Book value is a company's equity value as reported in its financial statements.
China A-shares are the stock shares of mainland China-based companies that trade on the two Chinese stock exchanges, the Shanghai Stock Exchange and the Shenzhen Stock Exchange.
Consumer Price Index (CPI) measures the average change in prices over time that consumers pay for a basket of goods and services and is the most widely used measure of inflation.
Dividend yield is the ratio of a company's annual dividend compared to its share price.
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.
Loan Prime Rate (LPR) is the lending rate provided by commercial banks to their highest quality customers, and serves as the benchmark for rates provided for other loans.
MSCI ACWI Index captures large and mid-cap representation across 23 developed markets and 24 emerging market countries.
MSCI China Index captures large and mid-cap representation across China H shares, B shares, Red chips, P chips, and foreign listings (e.g., ADRs) of Chinese stocks. China A shares will be partially included in this index.
MSCI Emerging Markets Index captures large and mid-cap representation across 24 Emerging Market countries.
MSCI Emerging Markets (EM) Asia Index captures large and mid-cap representation across 9 Emerging Markets countries in Asia.
MSCI World Index captures large and mid-cap representation across 23 Developed Markets (DM) countries.
Purchasing Managers' Index (PMI) is an indicator of the economic health of the manufacturing sector. The PMI Index is based on five major indicators: new orders, inventory levels, production, supplier deliveries, and the employment environment.
Reserve Requirement Ratio (RRR), set by the central bank, is the percentage of a commercial bank's deposits that it must keep in cash as a reserve in case of mass customer withdrawals.

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

An investor should consider the Fund's investment objectives, risks, charges and expenses careful1ly 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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