

Emerging Markets Fund

A: MALGX C: MCLGX I: MILGX

Market Review

MSCI Emerging Markets (“EM”) dropped 6.97% in 1Q22, underperforming Developed Markets (“DM”) by 1.73%, marking the third consecutive quarter of negative returns for EM Equities.

March was a particularly challenging month, as EM equities slumped to their lowest in 21 months. Conflict in Eastern Europe led to higher geopolitical risk, supply disruptions, higher inflation, more hawkish developed markets, a stronger US dollar, and increased risk for a global recession. The above dynamic created a particularly challenging environment for EM growth stocks, falling 9.6%, as investors were forced to discount future returns with higher costs of capital. Note that EM Internet & E-commerce names were down 21.8%. Value names in EM also fell, but many benefitted from the surging commodity prices during the period. Oil prices rallied 44.7% during the three-month period and iron ore, copper, and others also fared well off supply driven concerns from Eastern Europe. EM Asia fell 8.73%, Latin America rallied 27.33%, and EEMEA (Eastern Europe, Middle East & Africa) fell 14.43%.

MSCI China was down 14.19% (in USD terms) quarter-over-quarter (Q/Q), with numerous headwinds raising concerns over a potential delay in economic recovery. In January, equities tumbled on more-hawkish-than-expected US Fed normalization, sparking fears it could limit room for monetary easing in China. Performance fell further in February and March, driven by concerns from multiple fronts, including: 1) fears of sanctions against China if they respond to Russia’s request for military support, 2) headlines indicating the first round of potential ADR de-listings, 3) rising Omicron outbreak across China, and 4) concerns over the potential delay in economic recovery and

ability to reach the announced 5.5% GDP target for 2022. Daily new COVID-19 cases crossed 7,000 at the end of March (vs 359 at the end of February) as major cities, including Shenzhen and Shanghai, were forced into strict lockdown.

Indian equities were down 1.86% (in USD terms) q/q. NIFTY experienced a volatile quarter, reaching highs around 18,300 in mid-January, dipping below 16,000 in early March during the wake of the Russia-Ukraine crisis, before ending the quarter around 17,500 levels. Despite the steep rise in Omicron cases at the start of the year, concerns around India’s third wave were muted as hospitalization rates remained low and the wave subsided within two months. Still, the pace of vaccination rollout remains strong; as at 31 March, 60.2% of India’s population have been fully vaccinated (vs 43.7% at December 31, 2021) and 71.1% have received at least 1 dose (vs 61.3% at December 31, 2021). The Union Budget was presented on February 1, 2022 with a clear pro-investment stance focusing on capital expenditure and infrastructure spending for long-term growth. Foreign Institutional Investors (FIIs) remained net sellers for the second quarter in a row, while Domestic Institutional Investors (DIIs) remained large net equity buyers for the fourth consecutive quarter.

Korean equities were down 9.56% (in USD terms) q/q, with underperformance driven by the Fed’s surprisingly hawkish tone entering 2022 and ongoing weakness in the Korean Won. Moreover, lingering pandemic uncertainties with

cases surging above 400,000 in mid-March have also weighed on the market. Following the peak, daily new cases are now trending down, reaching around 280,000 levels at the end of March. Elsewhere in Northeast Asia, Taiwanese equities fell 6.58% (in USD terms) q/q. Similar to Korea, the Taiwanese market repriced on the Fed’s policy rate normalization, which also led to the depreciation of the Taiwanese Dollar. Underperformance in the semiconductor sector was likely driven by concerns over supply disruptions for critical semiconductor materials amid the Russia-Ukraine conflict, even as direct exposure was limited.

ASEAN markets were among the top performers within Asia over the quarter, with Indonesia, Thailand, the Philippines, and Malaysia, delivering 9.56%, 4.15%, 2.18%, and 1.95% (in USD terms), respectively. Elevated geopolitical concerns between Russia and Ukraine, various supply issues, and tight inventory positions continue to support commodity prices despite pushing to record highs. This dynamic puts ASEAN commodity exporters back in the limelight thanks to upward earnings estimate revisions, strong cash flows, and light investor positioning for the period. This has also led to a positive impact on the currencies of ASEAN markets, which have remained relatively stable over the past six months despite Fed tapering.

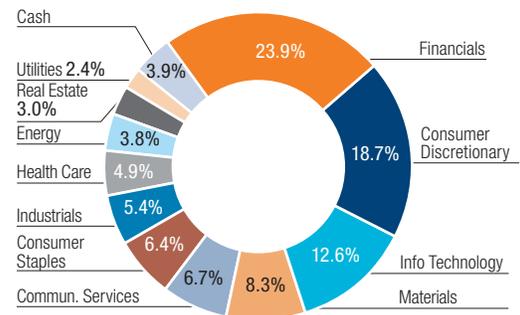
Aside from the significant pullbacks in Eastern Europe, Latin America and EEMEA delivered relatively strong returns for the quarter, down only 41bps. Latin America rallied 27.33% with its countries

posting some of the best returns in the world over the period. The EEMEA region fell 14.43% over the quarter, dragged by Eastern Europe, but supported by the Middle East. Over the quarter, Brazil, Peru, and Colombia performed the best across EM outside of Asia, while Russia, Egypt, and Hungary performed the worst. Brazil and Colombia rallied with energy prices and prospects of new governments, while Peruvian stocks moved with higher copper and gold prices. After the Russian

invasion of Ukraine, capital controls, and a drop in liquidity, MSCI marked Russian equities to effectively zero on March 9th before removing the country from the Emerging Markets benchmark. Egyptian equities suffered, as the country heavily depends on imports from Russia and Ukraine, and the economic pressure led to a currency de-rating. Hungary, similar to many other countries in Eastern Europe, suffered from the economic fallout of the conflict as well.

Sector Holdings

(AS OF MARCH 31, 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) underperformed the benchmark by 5.06% in the quarter, down 12.03% versus the MSCI EM Index down 6.97% in the three-month period ending March 31, 2022.

Key Contributors to Performance

- On a sector basis, our positioning in healthcare and information technology contributed the most to the Fund's relative performance.
- The largest geographic contribution to relative performance came from the Fund's overweight and stock selection in India. 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.
- At the stock level, our lack of positioning in Gazprom PJSC in Russia and our overweight in Lemmon Tree Hotels in India were the top contributors to the Fund's relative performance during the quarter.

Key Detractors from Performance

- On a sector basis, the largest detractions from relative performance came from our stock selection in communication services and industrials.
- Geographically, the Fund's 29bps overweight in Russia detracted the most from relative performance.
- At the stock level, the main detractors from relative performance were X Five in Russia and Sea Limited in Singapore.

Performance

(AS OF MARCH 31, 2022)

	EMERGING MARKETS CLASS I (%)	MSCI EMERGING MARKETS NR INDEX (%)
1Q2022	-12.03	-6.97
1 Year	-12.58	-11.37
3 Year (annualized)	5.71	4.94
5 Year (annualized)	6.07	5.98
10 Year (annualized)	4.34	3.36
Since Inception [†] (annualized)	3.58	3.09

[†]9/24/10

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

Top Ten Holdings

COMPANY	WEIGHTING (%)
Taiwan Semiconductor Manufacturing Co., Ltd.	4.0
Meituan Class B	3.0
Tencent Holdings Ltd.	3.0
Reliance Industries Limited	2.9
ICICI Bank Limited	2.8
Standard Chartered PLC	2.8
PT Bank Rakyat Indonesia (Persero) Tbk Class B	2.8
IHH Healthcare Bhd.	2.6
Alibaba Group Holding Ltd	2.5
GAIL (India) Limited	2.4
Total	28.9

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

Consumer Staples

Marico Limited—India: Marico is a multinational consumer goods company offering products and services in the areas of health, beauty, and wellness. We believe the company's focus on scaling up their foods portfolio and developing digital-first brands will help increase the share of its discretionary portfolio over the coming years. As the company's portfolio mix shifts away from commodity-dependent categories, Marico's valuation discount to peers should also narrow.

Energy

GAIL Limited—India: GAIL is a leading Indian gas company which controls 95% of the country's gas transmission capacity. GAIL's earnings are on a secular growth path across all its business segments over the next three to five years. The gas transmission segment is set to gain from higher volumes and tariff revisions.

Financials

Kasikornbank Public Co. Ltd. NVDR—Thailand: KBank is the fourth largest bank in Thailand by assets, providing a wide range of consumer, commercial, and corporate banking services. KBank is a key beneficiary of Thailand's reopening economy, with the share price recently rallying on increasing news of trade and tourism reopening. We believe the bank is well-positioned in terms of its technology stack, product offerings, and have confidence in its ability to execute its digital strategy.

Saudi Tadawul Group—Saudi Arabia: Tadawul Group was added to the portfolio as an off benchmark name as we reconstructed the portfolio after the mark-downs in Russia. Tadawul is Saudi Arabia's exchange for all financial instruments and represents a significant

opportunity for growth as Saudi's financial markets mature. We currently see roughly 70% of GEM fund managers not holding even one name in Saudi Arabia, and believe this should change quickly. In addition to a sound structural story, Tadawul has benefitted from a stable currency and offers indirect exposure to higher energy prices boosting economic activity in the region.

Sberbank—Russia: We exited Sberbank after the Russian invasion of Ukraine. Despite Sberbank's market dominance, deeply discounted valuation, and sound capital position, we were incorrect in our views on the possibility of Russia invading Ukraine and the level of sanctions to follow. We were able to exit this position before trading was halted and before the US added Sberbank to its Specially Designated Nationals list

Outlook

Looking into the remainder of 2022 there are four key areas that should impact performance in emerging markets:

1. Interest Rates: After much anticipation, the Fed has begun raising interest rates. We've seen that in each of the last 4 hiking cycles, the US dollar has weakened by over 3.5% over the 6 months following the first hike. Historically, EM equities have rallied about 4% for every 1% move of USD weakness. If history rhymes, this could be a positive sign for EM, especially as many EM countries now sit towards the end of their own hiking cycles.

2. China: China is walking a fine line between Covid Zero mobility restrictions and market friendly government initiatives to help growth. The possibility of

moving from a Covid-19 pandemic to an endemic, as we have seen throughout the rest of the world, could release a significant amount of pent-up demand in the Chinese economy. This is especially notable ahead of Xi Jinping's confirmation for a 3rd term.

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

4. Growth vs. Value "trade": EM value names have outperformed EM growth by over 16 percentage points over the past year. The broad EM consumer discre-

tionary index is down over 40%. Looking forward, one has to balance multiples with earnings growth. There are many growth-oriented names with strong outlooks that have sold off too much and created attractive entry points. At the same time, the strongest near-term earnings will likely come from companies benefitting from commodity strength and higher interest rates. The question is, how much is already in the price.

As active managers, we are finding attractive opportunities within the asset class. The growth differential versus DM is increasing, return-on-equity (ROE) ratios are converging, multiples remain suppressed, and allocators continue to look for opportunities outside of a concentrated US market.

On a regional basis, we see Latin America and Eastern Europe, the Middle East and Africa (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 in overlooked domestic cyclical names in Brazil.

Market sentiment in China has been low and the country remains an underweight position for the Fund. As mentioned above, concerns are driven from multiple fronts, including: 1) fears of sanctions against China if they respond to Russia's request for military support, 2) headlines indicating the first round of potential ADR de-listings, 3) ongoing regulation on internet platform companies, 4) rising Omicron outbreak across China, and 5) concerns over the potential delay in economic recovery. However, the first three of these concerns have largely been addressed – China hasn't offered any military or significant financial support to Russia, Chinese and US regulators are progressing toward a cooperation plan on US-listed Chinese stocks, and Chinese authorities have called for an end to the crackdown on internet platform companies. What remains is a question on when China will modify its zero-COVID policy to a version of 'living with COVID' so that economic recovery can start to improve. While there were earlier hopes that China may soon consider easing some pandemic-related restrictions, the recent Omicron outbreak has cemented China's zero-COVID approach, which is now even more targeted than before. While China's top priority is to stabilize its economy, avoiding any social instability driven by virus-related deaths has taken the mainstage, especially in the leadup to the National Party Congress in 2H22. As such, we expect a contraction in retail sales, industrial production, and trade activity over the coming months, before recovering around May and June.

Contrary to China, the performance of Indian equities continues to hold up and trade at multi-decade highs, despite relatively high valuations and an initial commodity import price shock at the onset of the Russia-Ukraine conflict. In recent weeks, crude oil prices have settled around USD 100-120 per barrel, with the US looking to release 1m bbl/day for the next six months from its Strategic Petroleum Reserves, while OPEC is also ramping up its output. At this price range, macroeconomic risks to the Indian economy remain well managed, with healthy foreign exchange reserves of nearly USD 650bn (up 50% in the last 18 months). As focus comes back to earnings, we believe our portfolio (with exposure to top quality domestic economic plays across financials, consumption, and industrials) will do well while cyclicals like energy and materials take a breather on fears of a global slowdown. Tax collection data for Jan-Feb '22 and bank credit growth for 1Q22 was better than expected and point to a resilient domestic economy.

In Korea, share prices of internet platform companies started to bottom out following the end of the March presidential election. Looking forward, we see a number of internet companies in Korea focusing on building up their capabilities to grow their content business, while existing businesses are doing fairly well. Heightened news flow is expected during April as the transition committee begins to lay out its policy direction.

We continue to favor the ASEAN region, with Indonesia, Malaysia, Singapore, and Vietnam being overweight positions for the Fund. With most ASEAN countries having recently relaxed entry rules for international travelers, we believe the region will likely be Asia's biggest beneficiary of reopening. Moreover, medium- to long-term economic drivers appear to remain intact, supported by accelerated

reopening, record GDP growth, regionalization of trade and investments, and light positioning by foreign investors.

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 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

RAHUL CHADHA
W. MALCOLM DORSON
PHIL S. LEE

Mirae Asset Global Investments (USA) LLC
625 Madison Avenue, 3rd Floor
New York, NY 10022
(888) 335-3417
investments.miraeasset.us

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.

Basis Points (BPS) is a standard measure for interest rates and other percentages, representing one-one hundredth of one percent.

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.

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 Emerging Markets (EM) Asia Index captures large and mid cap representation across 9 Emerging Markets countries in Asia.

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

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.

RMB (Renminbi or Yuan) is the official currency of the People's Republic of China.

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.

Mirae Asset Discovery Funds are distributed by Funds Distributor, LLC.

Copyright © 2022 by Mirae Asset Global Investments (USA) LLC.

All rights reserved.