Commentary | 3Q22

Emerging Markets Great Consumer Fund

A: MECGX C: MCCGX I: MICGX

MIRAE ASSET Global Investments

Market Review

Emerging Markets (EM) equities fell 11.4% in the third quarter ending September 30, 2022. Most of the underperformance came from movements in the last month of the quarter, where the MSCI EM Index fell 11.7%. This marked the fifth consecutive quarter of negative returns for the asset class.

That said, EM markets looked resilient until US inflation numbers came in above expectations, leading the market to price in more interest rate hikes. The US Federal Reserve's third 75 basis point interest rate hike along with increasingly hawkish language led most markets to retreat. EM was especially impacted due to the increasing strength of the US dollar and the demand-driven sell-off in commodities. The US 10-year Treasury breached 4% before retreating back to 3.83% at the end of the month. Spiking bond yields create a particularly challenging environment for EM growth stocks as investors are forced to discount future returns with higher costs of capital. Most markets in the MSCI EM Index dropped in September. That said, our strategies provided strong resilience, outperforming the broad EM market in the third quarter.

The MSCI EM Asia Index was down 13.9% in the third quarter of 2022. By country, Indonesia and India were the leading outperformers, while China and Hong Kong were the primary underperformers. Chinese equities were down 22.4% on concerns of a slowdown from multiple fronts. While markets initially responded positively to China's macro resilience in the second quarter, recent months have been plagued by property issues, the resurgence of Covid cases, and ongoing geopolitical tensions. In July, policymakers vowed to proactively boost demand, support the platform economy, contain financial risks, and stabilize the property market. These promises began coming through in August with the announcement of easing policy measures, including the launch of bailout funds, special loans for property developers, and rate cuts to the 1-year medium-term lending facility and loan prime rates. Signs of fine-tuning China's dynamic zero-Covid policy are also heading in the right direction, with e-visas and package tours for mainland visits to Macau announced to resume in November.

Indian equities rose 6.8% on signs of strong domestic growth. Goods and Services Tax collections remained above 1.4 trillion rupees ($17 billion) for the seventh consecutive month in September, continuing its growth on better compliance, revival in consumption, and elevated inflation. The Indian government approved the second tranche of production-linked incentives for its solar industry as part of the "National Programme on High Efficiency in Solar PV Modules". Financial incentive schemes for semiconductor and display manufacturing have also been enhanced to boost investments in these segments. After nine months of sustained outflows, Foreign Institutional Investors became net buyers of Indian equities in July before reverting back to net sellers again in September amid broader equities risk-off sentiment. The Reserve Bank of India (RBI) raised its policy rate twice during the quarter, each time by 50 basis points to reach 5.90% in September.

Korean equities fell 16.3% amid ongoing Fed hawkishness and weakness in the Korean Won. Korean equities began the quarter strong as second-quarter results and GDP figures came in better than feared, though this was soon offset by concerns over weakening global macro conditions. The Won depreciated 7% against the US Dollar in September, bringing the year-to-date depreciation figure up to 21%. Accordingly, the Bank of Korea raised its base policy rate twice during the quarter, reaching 2.5% during its August meeting.

In Taiwan, equities fell 14.0%. Similar to Korea, Taiwanese equities saw an uptick in July, driven by resilient second-quarter earnings results in tech names. However, this was overshadowed by rising geopolitical tensions and a hawkish Fed outlook. Manufacturing PMI weakened for the 9th consecutive month in September, falling to 42.2 as concerns lingered on slowing external demand. However, August industrial production figures came in above expectations, growing 3.65% year-over-year (vs 1.63% year-over-year in July), boosted by the cycle of upcoming new smartphone launches.

The ASEAN region delivered resilient performance over the third quarter. Indonesia was the most notable outperformer, with equities rising 7.8%. Strong second-quarter earnings surprises and a bounce back in commodity prices over August were positive drivers for Indonesian equity returns, along with strong net equity inflows. While the Jakarta Composite Index recorded $209 million in net equity foreign outflows for September, year-to-date net equity inflows remain positive at $4.8 billion. Central banks across the region raised their policy rates following the Fed's September hike, with Indonesia up 50 basis points to 4.25%, Thailand up 25 basis points to 1%, and Malaysia up 25 basis points to 2.5%.

EM countries in Latin America and EEMEA (Eastern Europe, Middle East, and Africa) both fared better than Asia. Equities in Latin America gained 3.7% in the quarter, while markets in the EEMEA region fell 5.2%. Brazil, Chile, and Peru were the best-performing equity markets in Latin America in the third quarter. Brazilian equities rallied 8.7% as the country's central bank signaled an end to interest rate increases after improving inflation data surprised the market. Investors in Brazil were also encouraged by the marginal moves to the center from both presidential candidates ahead of the October elections. Chile rallied 3.3% with an improving outlook for constitutional reforms and Peru, down just 0.9%, proved resilient with strong performance from banks and copper companies. On the negative side, Colombia stood out, falling 18.3% as sentiment deteriorated with falling energy prices.

In EEMEA, Turkey and Qatar's equity markets showed the best performance, rising 16.3% and 3.1% respectively, while Saudi Arabian equities and were flat for the quarter. Despite extremely unorthodox monetary policy and hyperinflation, Turkish equities counter-intuitively outperformed. Much of this is due to local market investors trying to protect their capital against inflation by purchasing not only hard assets but also equities. Markets in Qatar and Saudi Arabia showed resilience despite falling energy prices due to three reasons: (1) their currency pegs to the US Dollar, (2) higher interest rates helping margins in their banking sector, and (3) increasing economic activity ahead of the much anticipated World Cup in November. On the negative side, we saw Poland, the Czech Republic, and Hungary's equity markets decline 24.6%, 18.2%, and 15.0%, respectively, as inflation spiked, global growth expectations fell, and the situation in Ukraine deteriorated.

Fund Review

Mirae Asset's Emerging Markets Great Consumer Fund (MICGX) outperformed its benchmark by 0.70% in the quarter ending September 30, 2022. The MSCI Emerging Markets Index fell 11.57%, while the Fund declined 10.87% during the period.

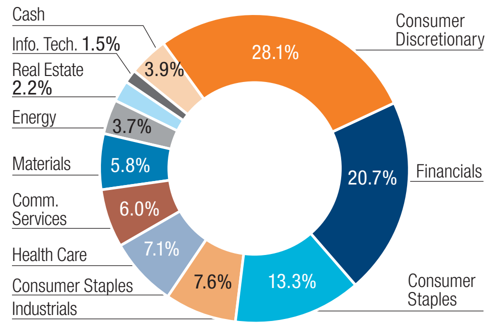
Key Contributors to Performance

- On a country basis, Indonesia was the largest positive contributor to the Fund's relative performance due to both allocation effects and stock selection. Our overweight allocation to India also had a positive impact on performance.
- From a sector perspective, allocation effects and stock selection in Information Technology contributed the most to performance. Stock selection in Health Care also contributed to performance.
- The main contributors to relative performance came from the Fund's India positions Apollo Hospitals Enterprise and Asian Paints. Indonesia's financial company PT Bank Central Asia also added to performance.

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, 2023. 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.

Sector Holdings

(AS OF SEPTEMBER 30, 2022*)



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

Performance

(AS OF SEPTEMBER 30, 2022)

	EMERGING MARKETS GREAT CONSUMER CLASS I (%)	MSCI EMERGING MARKETS NR INDEX (%)
3Q2022	-10.87	-11.57
1 Year	-34.85	-28.11
3 Year (annualized)	-5.70	-2.07
5 Year (annualized)	-1.50	-1.81
10 Year (annualized)	1.89	1.05
Since Inception† (annualized)	2.52	0.88

†9/24/10

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

Top Ten Holdings

COMPANY	WEIGHTING (%)
Li Ning Company Limited	6.4
Alibaba Group Holding Ltd.	5.2
BYD Company Limited Class H	4.6
Apollo Hospitals Enterprise Limited	3.7
Asian Paints Ltd.	3.6
China Tourism Group Duty Free	3.5
Meituan Class B	3.3
HDFC Bank Limited	3.1
PT Bank Central Asia Tbk	3.0
Airports of Thailand Public Co.	2.7
Total	**39.0**

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.

Key Detractors from Performance

- Geographically, China detracted the most from relative performance due to allocation effects and stock selection.
- From a sector perspective, the Fund's overweight allocation and stock selections in Consumer Discretionary led to the largest detraction, taking away 385 basis points from performance. Most of this came from the Fund's positions in Chinese companies BYD and Alibaba.
- On the stock level, the main detractors to the Fund's relative performance in the quarter came from Chinese electric vehicle producers XPeng and BYD.

Notable Trades

Consumer Discretionary

Arcos Dorados—Argentina: We purchased Arcos Dorados in place of Lojas Renner as we believe Arcos would provide us with more diversified exposure via a broad Latin America (LatAm) base. Arcos is the world's largest independent McDonald's franchisee in terms of system wide sales, number of restaurants, and represented 3.1% of McDonald's global sales in 2021, and 5.1% of McDonald's total franchised restaurants worldwide. The company boasts best brand value perception as volumes move from the informal to the formal market. Margins have improved due to their digital initiatives and we anticipate Arco's to continue to benefit from improving affluence of LatAm consumers.

Lojas Renner—Brazil: Though we continue to like Lojas Renner as a business, valuations went above our price targets and we grew concerned about (1) difficult year-over-year comps as Brazilians spent at a record pace coming out of Covid, and (2) a build-up in the company's financials business (not their core competency).

Mr. Price—South Africa: We exited our long-term position in Mr. Price as we grew conscious of recent capital allocation decisions into non-core businesses along with the potential slowdown in discretionary spending across South Africa.

Trip—China: We added Trip.com as it is a leading provider of hotel bookings and other travel services in China. We expect the company to see an earnings inflection on strong post-lockdown recovery and policy easing in the domestic market, while global travel recovery also continues.

Financials

ICICI Bank—India: Corporate banks are coming out of a non-performing asset cycle over the past few years and we expect ICICI Bank to benefit from the recovery. Over the years, ICICI has built one of the best deposit franchises and a balanced loan book mix of corporate and retail. ICICI is also at the forefront of technology usage in all aspects of banking.

Outlook

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

1. Interest Rates and the US Dollar: The US Federal Reserve has now made three sequential 75 basis point interest rate hikes. US economic data has kept Fed commentary hawkish, but we are starting to see signs of demand destruction which will eventually bring inflation down to levels where the Fed can signal an end to its hiking cycle. We believe that this will be a key catalyst for EM equities for the following reasons:

a. *Lower interest rates could imply a weaker US dollar, which translates into smaller balance sheets across EM.*

b. *Lower interest rates can decrease net interest expenses for companies across EM*

c. *Lower interest rates allow analysts to lower the cost of capital in their models, which has a significant impact on high duration names, such as structural stories in EM, which are based on promises of high growth and maturation over a multi-year period.*

2. China: The 20th CCP meeting outlined a blueprint for China's economic and social development over the next 5 years. On the positive side, President Xi focused on stability, middle class growth, strengthening consumption, market support, and technology & innovation. On the negative side, Xi's speech did little to quell concerns about an adversarial relationship between China and the West. In addition, we did not see a signal to the end of Covid-19 lockdowns. However, the latter remains a key catalyst looking into the end of the year and 2023. We believe that the government will push forward with a sustainable reopening as the elderly population reaches an 80% vaccination rate and as new, more effective vaccines hit the market.

3. Eastern Europe: The Ukraine/Russia situation has destroyed supply chains and provided 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.

We remain overweight in China but have reallocated some Consumer Discretionary exposure to travel and tourism-related names. The reopening of Macau to mainland tourists is a positive sign that the relaxation of China's dynamic zero-Covid policy is heading in the right direction, and further fine-tuning of policies could come into effect following the National Party Congress in October. In the lead-up to this political event, we've also witnessed a ramp-up in policy efforts to support the economy, suggesting that a new policy cycle could already be underway. We believe that once the political landscape is settled following the National Party Congress in October and the National People's Congress next March, policymakers will likely refocus on growth and economic development as a priority for 2023.

Despite uncertainties in the global macro environment, India's domestic economy continues to exhibit resilience, supporting our view of the country's long-term structural growth story. However, we expect some volatility in the near term as the RBI tightens to support its currency. India's foreign exchange reserves ended September at around $533 billion, down more than $100 billion from the same time last year. Following the recent market correction, we've taken the opportunity to add to our positions in leading Indian healthcare, financials, and consumer names, but will continue to carefully monitor India's reserve depletion and its impact on the domestic economy.

We continue to favor the ASEAN region. Indonesia has been one of the best-performing markets within EM and Asia year-to-date, supported by the country's commodity supercycle and current account surplus transformation. While we continue to monitor the potential inflationary impacts of fuel price hikes on Indonesia's domestic consumption, we believe our holdings in leading banking and telecom names should prove their resilience over the coming quarters.

We see opportunities in 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 in overlooked domestic cyclical names in Brazil.

Overall, we continue to hold our core positions and look to add exposure to high-conviction names on dips. Following the recent price corrections, we believe now is more of a buying zone than a selling zone. We expect stocks to continue to bounce around current levels before confidence in fundamentals returns, and companies that have demonstrated resilience should outperform.

Mirae Asset's Emerging Markets Great Consumer Fund focuses on identifying companies with high-quality management teams and business models that we believe 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. At the end of the day, we look for companies that can consistently earn and compound returns above their costs of capital.

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.

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.

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.

Jakarta Stock Price Index is a modified capitalization-weighted index of all stocks listed on the regular board of the Indonesia Stock Exchange.

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.

Medium-term lending facility is a monetary policy tool provided by the Central Bank of China with medium-term base money supply.

MSCI Emerging Markets Asia Index captures large and mid cap representation across 8 Emerging Markets countries.

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

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.