Commentary | 4Q21

Emerging Markets Fund

A: MALGX C: MCLGX I: MILGX

MIRAE ASSET Global Investments

Market Review

The MSCI Emerging Market (EM) index fell by -2.22% in 2021 despite an improving global economy, significant liquidity support, and relatively cheap valuations.

The year started strong, with EM rallying 7.45% over the first half of 2021, marking 5 straight quarters of gains for the asset class, before experiencing a -7.97% drop in the third quarter followed by another -1.31% pull back in the fourth quarter. Weak EM performance stemmed from three main drivers: 1) China, representing roughly 35% of the index, fell another -6.06% in the fourth quarter due to the ongoing regulatory crackdown; 2) a stronger US dollar (USD) coming from a hawkish pivot by the Fed, strong US growth, and a COVID-driven flight-to-quality; and 3) higher interest rates in various EM economies.

The MSCI EM Asia Index experienced a mild pull back of -0.98% in the fourth quarter, but outperformed EM outside Asia. Taiwan and the Association of Southeast Asian Nations (ASEAN) led performance during the quarter while Chinese equities remained the worst performing in the region.

China's market slumped in the fourth quarter as sporadic COVID-19 outbreaks led to ongoing mobility restrictions and continued to cripple consumption. However, new energy vehicle (NEV) sales went against the falling consumption trend to deliver record-high sales over the quarter. Chinese companies had a weak earnings season in the third quarter, driven by elevated inflation, energy rationing, and lingering effects of China's regulatory reset. However, recent activity data suggests that the third quarter drag is starting to fade, supporting an industrial activity recovery along with solid external demand and manufacturing investment. China's central bank cut the reserve requirement ratio (RRR) for major commercial banks by 50 basis points (bps) in December, releasing RMB 1.2 trillion worth of long-term liquidity and providing early evidence of monetary policy turning pro-growth ahead of further Fed tapering. Chinese banks also lowered the 1-year loan prime rate (LPR) for the first time since April 2020 by 5 bps to 3.8%.

Indian equities were down in the fourth quarter, moderating from the strong growth of prior quarters. The National Stock Exchange of India reached a record high in mid-October before correcting almost 10% by mid-December, then closed the quarter relatively flat following an end-of-year rally. Foreign Institutional Investors (FIIs) remained net sellers for the entire quarter, while Domestic Institutional Investors (DIIs) remained large net equity buyers for the third quarter in a row. COVID-19 cases continued to trend down over the quarter, ending at less than 10,000 new cases per day. The pace of vaccination rollout remained strong at around 5-7 million doses administered per day. As of December 31, almost 44% of India's population were fully vaccinated versus 17% at the end of September. India record its highest-ever monthly exports in December, totaling US$37 billion, as demand for engineering products, petroleum items, and gems and jewelry soared.

The South Korean market experienced a relatively stagnant quarter but ultimately was negative for the quarter. Investor expectations of Fed tapering along with stronger-than-expected inflation drove market concerns. In late November, the market experienced a correction after the Bank of Korea raised its policy rate by 25 bps to 1%; however, this was in line with market expectations, and equities rebounded to prior levels soon after.

Taiwanese equities delivered the most robust performance within Emerging Asia for the quarter, primarily driven by the rotation into Asian technology hardware, particularly the semiconductor industry. Beneficiaries of the Metaverse trend and strong 5G demand were the key contributors to performance in the region.

In ASEAN, Indonesian equities outperforming the rest of the Southeast Asian region. Despite experiencing a slower third quarter due to COVID-related impacts, the market bounced back with re-openings accelerated by the country's strong vaccination progress. Other Southeast Asian countries also outperformed, aside from Singapore, where equities were down in the fourth quarter.

Latin America and EEMEA (Eastern Europe, Middle East & Africa) delivered mild returns for the quarter, down -2.53%. After falling -13.22% in Q3, Latin America drifted down another -2.48% in the fourth quarter, finishing the year down -7.73%. The EEMEA region ended its strong 2021 run contracting -2.28% in Q4, but up 18.57% for the year. Over the quarter, Egypt, the Czech Republic, and Peru performed the best across EM ex-Asia, while Turkey, Hungary, and Chile lagged. Egypt and the Czech Republic have market benchmarks heavily concentrated in banks, which rallied with the hawkish turn in monetary policy. After a difficult nine months, Peru rallied with marginal improvements on political sentiment about newly elected President Pedro Castillo. Turkey's weak performance stemmed from run-away inflation and unorthodox monetary policy from the Central Bank. Hungary fell due to the end of its Central Bank's asset purchasing program along with the spread of a new variant of COVID-19. Chile contracted following the presidential election of Gabriel Boric, whose ambitious goals, including tax reform to fund social spending, will be met by a divided Congress and ongoing constitutional reform.

Fund Review

Mirae Asset's Emerging Markets Fund (MILGX) underperformed the benchmark by 1.16% in the quarter, down -2.47% versus the MSCI EM Index down -1.31% in the three-month period ending December 31, 2021.

Key Contributors to Performance

- On a sector basis, our stock selection in healthcare 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 positions in MediaTek, an information technology company in Taiwan, and Narayana Hrudayalaya, a health care company 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 underweight in information technology and stock selection in communication services.

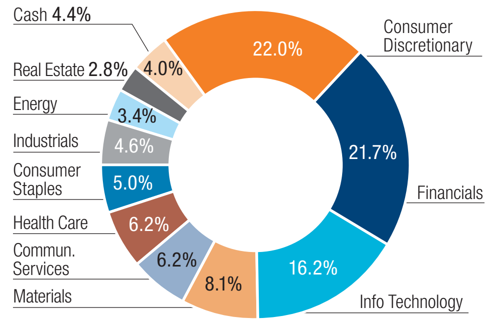
- Geographically, the Fund's overweight in Singapore and stock selection in South Korea notably detracted from relative performance.

- At the stock level, the main detractors from relative performance were Sea Limited in Singapore and LG Chem in South Korea.

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.

Sector Holdings

(AS OF DECEMBER 31, 2021*)



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

Performance

(AS OF DECEMBER 31, 2021)

	EMERGING MARKETS CLASS I (%)	MSCI EMERGING MARKETS NR INDEX (%)
4Q2021	-2.49	-1.31
1 Year	1.69	-2.54
3 Year (annualized)	14.11	10.94
5 Year (annualized)	11.63	9.88
10 Year (annualized)	7.00	5.49
Since Inception† (annualized)	4.86	3.82

†9/24/10

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

Top Ten Holdings

COMPANY	WEIGHTING (%)
ICICI Bank Limited	4.5
Taiwan Semiconductor Manufacturing Co., Ltd.	4.1
Meituan Class B	3.5
MediaTek Inc	2.8
IHH Healthcare Bhd.	2.6
Samsung Electronics Co., Ltd.	2.6
Tencent Holdings Ltd.	2.4
Vietnam Technological & Commercial Joint Stock Bank	2.2
Reliance Industries Limited	2.2
Narayana Hrudayalaya Ltd.	2.1
Total	**29.2**

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.

Notable Trades

Consumer Discretionary

Public Joint Stock Company Detsky—Russia: Detsky's equity price rallied close to our price target in the middle of 2021 on the back of new owners buying into the name at a premium. Upon further analysis, lower liquidity levels, personnel turnover, and a lack of clear communication from new ownership led us to exit the position.

Financials

Banco Bradesco—Brazil: We initiated a position in Bradesco, a leading Bank in Brazil, as we see the company benefitting from rising interest rates along with positive post-COVID-19 momentum of its insurance business. Despite positive earnings momentum, the stock traded at a significant discount to its historical average. In addition, the company offered a strong dividend yield, creating a potential buffer for near-term market volatility.

Industrials

Grab Holdings—Singapore: We initiated a position in Grab during the qquarter. The Singapore-based company operates in over 400 cities across 8 Southeast Asian markets, offering food delivery, payments, and financial services in addition to ride-hailing. We believe Grab's regional super-app platform is geared to benefit from the rising online consumption trend seen across ASEAN.

Riyue Heavy Industry—China: Riyue is a Chinese-based large-scale heavy equipment castings manufacturer. The company holds a significant market share in wind turbine casting parts, both in China and globally, with both expected to grow in coming years. Wind power is expected to gain market share amongst renewable energy sources, as falling prices will allow wind power to achieve grid parity. Additionally, the cost of solar panel production is expected to increase due to the hike in raw material prices, thus providing another tailwind in favor of wind power

Outlook

Coming out of 2021 and into the Lunar Year of the Tiger, there are three areas in which we believe Emerging Markets (EM) are ahead of the pack creating a foundation for opportunities within the asset class in 2022:

1. Vaccination rates in key EM countries, such as China, Taiwan, South Korea, and most of Latin America, are well ahead of the US.

2. Chinese regulations startled markets in 2021, although fines have been manageable and companies seem to be adapting quickly, we believe similar rules are yet to come across US and European markets.

3. Several EM central banks (Russia, Brazil Chile, Colombia, Mexico, Peru, the Czech Republic, Hungary, Poland, Korea, and South Africa) began raising interest rates well ahead of the US and Europe in 2021.

Even as many countries within EM face headwinds, 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. Other anticipated key catalysts for EM performance in 2022 include inflation moderation, improving US/China relations, and a weaker US dollar (USD).

On a regional basis, we see Latin America and Eastern Europe, 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, Mexico, Brazil, and Russia.

We remain underweight in China, where the market continues to absorb the excesses from its prior years of growth. The government has now shifted to loosening its monetary policy, and we anticipate more supportive measures will be implemented over the coming months, which should help stabilize the domestic economy in China. In addition, we expect more relaxation on social distancing measures based on rising vaccination rates in the country and following the Beijing Olympics in February.

India's structural growth story has started to play out over the past year, and, therefore, it remains a key overweight for the Fund. Despite the country's valuation premium compared to other EMs, we believe India is still in the early stages of an economic upcycle with significant headroom for growth over the coming years. In the near term, the rapid resurgence of COVID-19 cases in India could impact first-quarter performance due to mobility restrictions. However, India's first two waves have shown that these impacts may be temporary.

In ASEAN, we maintain a positive view of Vietnam, Indonesia, Singapore, and Malaysia. Looking ahead, we are optimistic about the rebound of ASEAN countries as 1) reopening should promote recovery in domestic demand, and 2) reopening should allow workers to return to work, lifting production levels and, subsequently, help alleviate supply-side constraints. We see structural growth opportunities in the region in internet platforms, consumer discretionary, and retail banking.

In South Korea, we see opportunities in multiple sectors, including semiconductor, auto, and EV battery makers. We believe that valuations in Taiwan are relatively more expensive; however, some select plays offer favorable risk/reward profiles, mainly in the semiconductor chain.

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

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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.

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.