

## WESTCORE SMALL-CAP VALUE DIVIDEND FUND

### FACT SHEET | March 31, 2017

#### STRATEGY

- Focus on dividend-paying small-cap companies
- Seek to invest in companies generating positive free cash flow and improving returns
- Use integrated investment approach that combines proprietary quantitative screen and original fundamental research
- Emphasize strict adherence to our style and risk control measures

*Investing in small-cap funds generally will be more volatile and loss of principal could be greater than investing in large-cap funds. Dividends are not guaranteed. A company's future abilities to pay dividends may be limited and a company may cease paying dividends at any time.*

#### FUND INFORMATION

Class	Retail	Institutional
Ticker	WTSVX	WISVX
Cusip	957904535	957904493
Inception	12/13/2004	9/28/2007

#### PORTFOLIO MANAGEMENT

Derek R. Anguilm, CFA  
Mark M. Adelman, CFA, CPA  
Troy Dayton, CFA  
Lisa Z. Ramirez, CFA  
Alex A. Ruehle, CFA

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#### Top Ten Holdings<sup>3</sup> (%)

Dean Foods Co	3.3
CyrusOne Inc	3.0
Hancock Holding Co	2.5
First Horizon National Corp	2.4
Tetra Tech Inc	2.3
AmTrust Financial Services Inc	2.2
Umpqua Holdings Corp	2.1
Gramercy Property Trust	2.1
Realogy Holdings Corp	2.0
ALLETE Inc	2.0
<b>Total</b> (% of portfolio)	<b>23.9%</b>

<sup>3</sup>Top ten holdings do not include any cash or cash equivalents and are subject to change. There are no guarantees that the Fund will continue to remain invested in any particular company or holding and current and future portfolio holdings are subject to risk. For a complete list of holdings, please visit [www.westcore.com](http://www.westcore.com).

#### Performance<sup>1,2</sup>

Periods Ended 3/31/17 (%)	Annualized Returns						
	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception
Retail Class	-2.56	-2.56	21.88	7.65	11.30	5.78	7.34
Institutional Class	-2.47	-2.47	22.13	7.84	11.51	5.92	7.45
Russell 2000® Value Index	-0.13	-0.13	29.37	7.62	12.54	6.09	7.44
Calendar Year (%)	2016	2015	2014	2013	2012	2011	2010
Retail Class	29.72	-8.13	6.46	36.49	9.69	-0.31	27.03
Institutional Class	29.98	-7.98	6.62	36.86	9.78	-0.31	27.15
Russell 2000® Value Index	31.74	-7.47	4.22	34.52	18.05	-5.50	24.52

Retail Class Annual Expense Ratio<sup>2</sup>: 1.46% Gross, 1.31% Net

Institutional Class Annual Expense Ratio<sup>2</sup>: 1.25% Gross, 1.09% Net

<sup>1</sup>Performance data quoted represents past performance and does not guarantee future results. Performance information for the institutional class shares prior to their inception is based on the performance of the retail class. Current performance may be lower or higher than the performance quoted. To obtain current performance as of the most recent month-end, visit [www.westcore.com](http://www.westcore.com). Average annual total returns reflect the reinvestment of dividends, capital gains distributions, all fee waivers and expense reimbursements. Without the fee waivers and expense reimbursements, total return figures would have been lower. Investment return and principal value will vary, and shares, when redeemed, may be worth more or less than their original cost. Westcore fund shares are not insured by the FDIC, the Federal Reserve Board or any other agency and are subject to investment risk.

<sup>2</sup>Denver Investments (the "Adviser") has contractually agreed to waive certain investment advisory and/or administration fees and/or to reimburse other expenses from April 30, 2017 until at least April 30, 2018. The first waiver/reimbursement applies so that the ratio of expenses to average net assets, as reported in the Fund's financial statements, will be no more than a fixed percentage for the Fund's Retail Class for such period. Please see the Fund's Prospectus for more information. The second waiver/reimbursement applies so that Fund level Other Expenses (as defined in the Fund's financial statements) for the Institutional Class will be in the same proportion as the Retail Class waivers/reimbursements. The third waiver/reimbursement applies so that the institutional class-specific Other Expenses are reimbursed. The Adviser has contractually agreed to waive/reimburse all of these class-specific Other Expenses, but only to the extent that the difference between the net Institutional Class and net Retail Class expense ratios, after applying the waiver/reimbursement, does not exceed 25 basis points. These agreements may not be terminated or modified prior to April 30, 2018 without the approval of the Board of Trustees.

#### Sector Allocation<sup>4</sup> (%)

	Small-Cap Value Dividend	Russell 2000® Value	Relative Weights
Basic Materials	4.2	5.1	-0.9
Capital Goods	15.6	13.6	2.0
Consumer	13.6	12.2	1.4
Energy	4.3	4.8	-0.5
Interest Rate Sensitive	30.1	32.8	-2.7
Medical / Healthcare	4.2	4.7	-0.5
REITs	9.4	9.5	-0.1
Technology	10.7	11.0	-0.3
Utilities	6.0	6.3	-0.3
Cash & Cash Equivalents	2.0	0.0	2.0

<sup>4</sup>Sector classifications presented are based on the sector categorization methodology of the Adviser to the Funds.

## Portfolio Characteristics<sup>5</sup>

	Small-Cap Value Dividend	Russell 2000® Value
Total Fund Assets (\$ Mil)	\$207.5	-
Total Strategy Assets (\$ Mil)	\$1,499.5	-
Weighted Average Market Capitalization (\$ Mil)	\$2,629	\$2,096
Median Market Capitalization (\$ Mil)	\$2,434	\$698
Discount to Intrinsic Value	31.3%	-
Price/Cash Flow (1 year trailing)	11.8x	13.3x
Price/Book Value	2.0x	1.8x
Price/Earnings (1 year trailing)	18.0x	19.6x
Return on Assets	3.2%	1.7%
Long-Term Debt/Capital	42.9%	35.6%
Beta (3 Years)	0.89	1.00
Standard Deviation (3 Years)	14.36%	15.37%
Tracking Error (3 Years)	4.71%	-
Turnover (12 month trailing)	103.32%	-
Number of Holdings	65	-

<sup>5</sup>Standard Deviation, Beta and Tracking Error statistics versus the Russell 2000® Value Index and based on monthly data. Three years. Source: eVestment Alliance.

## Morningstar Ratings<sup>7</sup>

	Morningstar Ratings™ As of 3/31/17		Number of Funds in Small Value Category
	Retail Class	Institutional Class	
Overall	★★★	★★★	353
3 Year	★★★★	★★★★	353
5 Year	★★★	★★★	309
10 Year	★★★	★★★	199

<sup>7</sup>Morningstar proprietary ratings reflect historical risk-adjusted performance as of 3/31/17 and are subject to change every month.

Source for Russell 2000® Value Index data, FactSet.

The **Russell 2000® Value Index** is a market-weighted total return index that measures the performance of companies within the Russell 2000 Index having lower price-to-book ratios and lower forecasted growth values than the threshold determined by Frank Russell Company. Investors cannot invest directly in the index.

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Lisa Ramirez is a registered representative of ALPS Distributors, Inc.

For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance (including the effects of sales charges, loads, and redemption fees), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star. (Each share class is counted as a fraction of one fund within this scale and rated separately, which may cause slight variations in the distribution percentages.) The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its three-, five- and ten-year (if applicable) Morningstar Rating metrics. Morningstar Rating are for the share class specified only; rankings for other share classes will vary. Past performance is no guarantee of future results.

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## Stock Performance<sup>6</sup> (%)

Top 5 Stocks (3 Months Ended 3/31/17)	Average Weight	Contribution to Return
GEO Group Inc	1.96	0.61
CyrusOne, Inc.	2.79	0.41
Sinclair Broadcast Group, Inc. Class A	1.96	0.40
Realogy Holdings Corp.	1.57	0.24
MKS Instruments, Inc.	1.23	0.18

  

Bottom 5 Stocks (3 Months Ended 3/31/17)	Average Weight	Contribution to Return
Caleres, Inc.	1.39	-0.29
Dean Foods Company	3.30	-0.31
Aceto Corporation	1.24	-0.42
SM Energy Company	1.59	-0.54
AmTrust Financial Services Inc.	2.27	-0.84

<sup>6</sup>Past performance does not guarantee future results. These stocks do not represent all of the securities purchased, sold or recommended by the Funds' Adviser. The methodology used to construct this chart took into account the weighting of every holding in the Fund that contributed to the Fund's performance during the measurement period. The contribution of each Fund holding was consistently determined by calculating the weight of each holding multiplied by the rate of return for that holding during the measurement period. To request a complete list of the contribution of each Fund holding to overall Fund performance, please call 800.392.CORE (2673) or email invest@westcore.com.

## DEFINITION OF TERMS

**Beta:** A measure of a fund's sensitivity to market movements. The beta of the market is 1.00 by definition. A beta above 1 is more volatile than the overall market, while a beta below 1 is less volatile.

**Long-Term Debt/Capital:** A measurement of a company's financial leverage, calculated as the company's debt divided by its total capital.

**Market Capitalization:** Represents the total value of a company or stock.  
**Price/Book Value:** Used to compare a company's book value to its current market price.

**Price/Cash Flow:** A measure of a firm's stock price relative to its financial performance.

**Price/Earnings:** A stock's per share price divided by its per share earnings over a 12-month period.

**Return on Assets:** A measure of a company's profitability relative to its total assets.

**Standard Deviation:** A statistical measure of the historical volatility of a fund.

**Tracking Error:** A measure of how closely a fund follows the index to which it is benchmarked.

**Weighted Avg Discount to Est. Intrinsic Value:** The measure of a portfolio's estimated value.

### Market Overview

Small-cap value stocks took a breather in the first quarter and the “risk-on” trade lost steam as investors became more defensive, particularly in March. We witnessed a clear change in sector leadership in the quarter, as more cyclical sectors, such as energy and interest rate sensitive, underperformed, while more defensive sectors, such as medical/healthcare and utilities, took the lead. Within the interest rate sensitive sector, banks pulled back, reversing some of their fourth quarter gains. This occurred as the Federal Reserve raised rates during the quarter and suggested more near-term rate hikes might be appropriate. The markets’ excitement around potential policy changes, such as infrastructure spending, de-regulation, and tax reform, appeared to fade. At the same time, concerns around policy uncertainty and signs of a peaking domestic economy weighed on various industries and sectors.

### Fund Performance

For the first quarter of 2017, the Westcore Small-Cap Value Dividend Fund returned -2.56%, underperforming the -0.13% return of its benchmark, the Russell 2000® Value Index.

### Contributors to Return

The sectors that contributed to the Fund’s return relative to its benchmark in the quarter were REITs and consumer. Within REITs, the Fund’s standout performer was prison owner and operator GEO Group Inc. The stock continued a strong post-election run as the outlook for Federal use of private prisons improved. Performance was also driven by solid fourth quarter results as well as announcements of several pending opportunities. We look for further positive announcements over the next few months as government budgets are appropriated and new leases are able to be signed. Sinclair Broadcast Group Inc., a diversified media broadcasting operator, was the primary driver of the Fund’s outperformance in the consumer sector. Despite a slight miss on revenues and earnings, the company’s quarterly financial results exhibited continued solid growth in its core advertising and digital businesses. These results, along with growing optimism around industry deregulation, helped to propel the share price higher during the quarter. Another strong contributor in the quarter was Realogy Holdings Corp., a provider of real estate brokerage services. The company reported fourth quarter results that were slightly above our expectations and demonstrated signs that internal initiatives are gaining traction.

### Detractors from Return

The medical/healthcare, technology, and interest rate sensitive sectors were the Fund’s largest detractors relative to the benchmark in the quarter. Generic pharmaceutical and ingredient producer, Aceto Corp. was the Fund’s main detractor in the medical/healthcare sector. The market’s downward revision of expectations for generic drug pricing along with Aceto’s financial results missing expectations, led to the company’s underperformance. We believe little has changed within its product filing pipeline with the FDA and think the market is giving very little credit to the company’s stable base business. AmTrust Financial Services Inc., a provider of insurance services primarily to small businesses, was the Fund’s largest detractor within the interest rate sensitive sector. The company reported 2016 results that were in line with our expectations, but it disappointed the market by announcing the delay of its annual report filing. The delay was due to questions regarding the timing of recognition of certain revenues and expenses. We expect this to have a relatively limited impact on reported earnings. Dairy processor and distributor Dean Foods Co. was another detractor from the Fund’s performance this quarter. The company posted quarterly financial results that missed consensus and released weaker-than-expected guidance for earnings estimates. We believe that management is taking the right steps to prudently invest in the business, which, in our opinion, will drive a more diversified and less cyclical cash flow profile over time.

### Outlook and Positioning

We believe uncertainty regarding the outlook for economic growth will continue and that concerns around successful policy implementation will remain heightened. The uncertainty has resulted in a wavering of the post-election market euphoria as questions regarding economic growth and policy changes remain unanswered. This, coupled with historically high valuations, in our opinion, is a recipe for continued volatility. In this type of environment, we believe any company-specific disappointments are likely to be severely and often overly punished. This would create near-term pain, but also may offer opportunities to invest in companies at prices below what we believe they are worth.

### Past performance does not guarantee future results.

The Manager Commentaries contain certain forward-looking statements about the factors that may affect the performance of the Funds in the future. These statements are based on Fund management’s predictions and expectations concerning certain future events and their expected impact on the Funds, such as performance of the economy as a whole and of specific industry sectors, changes in the levels of interest rates, the impact of developing world events, and other factors that may influence the future performance of the Funds. Management believes these forward-looking statements to be reasonable, although they are inherently uncertain and difficult to predict. Actual events may cause adjustments in portfolio management strategies from those currently expected to be employed.

FOR MORE INFORMATION ABOUT WESTCORE FUNDS, PLEASE CONTACT:

Westcore Funds | 1290 Broadway, Suite 1100 | Denver, Colorado 80203  
Individual Investors: 800.392.CORE (2673) | Financial Advisors: 800.734.WEST (9378) | [www.westcore.com](http://www.westcore.com)

**An investor should consider investment objectives, risks, charges and expenses of the Fund(s) carefully before investing. To obtain a prospectus, which contains this and other important information about the Fund(s), please call 800.392.CORE (2673) or visit [www.westcore.com](http://www.westcore.com). Please read the prospectus carefully before investing.**

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