

## WESTCORE MICRO-CAP OPPORTUNITY FUND

FACT SHEET | September 30, 2017

### FUND INFORMATION

Class	Retail
Ticker	WTMIX
Cusip	957904477
Fund Inception	6/23/2008
Strategy Inception	7/1/2008

Also available in SMA and separate account vehicles offered by Denver Investments.

*Investing in micro-cap funds generally will be more volatile and loss of principal could be greater than investing in large-cap funds.*

### PORTFOLIO MANAGEMENT

Paul A. Kuppinger, CFA

CFA® is a trademark owned by CFA Institute.

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

Periods Ended 9/30/17 (%)	QTD	YTD	Annualized Returns					Since Inception
			1 Year	3 Years	5 Years	10 Years		
Retail Class	4.43	4.54	20.92	11.25	13.32	-	9.95	
Russell Microcap® Index	6.65	11.16	22.33	12.16	13.89	-	9.45	
<b>Calendar Year (%)</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	
Retail Class	24.49	-4.92	2.49	46.20	15.60	-3.55	33.49	
Russell Microcap® Index	20.37	-5.16	3.65	45.62	19.75	-9.27	28.89	

Retail Class Annual Expense Ratio: 2.09% Gross, 1.3% Net

<sup>1</sup>Performance data quoted represents past performance and does not guarantee future results. 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 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. This agreement may not be terminated or modified prior to April 30, 2018 without the approval of the Board of Trustees.

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

Spectrum Pharmaceuticals Inc	1.6
Neff Corp	1.1
IXYS Corp	1.1
OraSure Technologies Inc	1.0
Roadrunner Transportation Systems Inc	1.0
Schnitzer Steel Industries Inc	1.0
McGrath RentCorp	1.0
Lantheus Holdings Inc	1.0
Bassett Furniture Industries Inc	0.9
Renewable Energy Group Inc	0.9
<b>Total</b> (% of portfolio)	<b>10.6%</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).

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

	Micro-Cap Opportunity	Russell Microcap®	Relative Weights
Consumer Discretionary	10.8	11.7	-0.9
Consumer Staples	2.3	1.8	0.5
Energy	4.2	4.7	-0.5
Financials	24.4	24.7	-0.3
Health Care	24.2	22.9	1.3
Industrials	13.3	11.5	1.8
Information Technology	12.8	13.5	-0.7
Materials	3.6	3.1	0.5
Real Estate	2.3	3.9	-1.6
Telecommunication Services	0.0	0.9	-0.9
Utilities	1.1	1.2	-0.1
Cash & Cash Equivalents	0.9	0.0	0.9

<sup>4</sup>Sector classifications presented are based on the GICS methodology.

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

	Micro-Cap Opportunity	Russell Microcap <sup>®</sup>
Total Fund Assets (\$ Mil)	\$14.7	-
Total Strategy Assets (\$ Mil)	\$14.7	-
Weighted Average Market Capitalization (\$ Mil)	\$723	\$557
Median Market Capitalization (\$ Mil)	\$651	\$233
Price/Cash Flow (1 year trailing)	14.9x	16.6x
Price/Book Value	2.9x	2.7x
Price/Earnings (1 year trailing)	21.0x	16.3x
Return on Assets	4.7%	-2.3%
Long-Term Debt/Capital	27.4%	25.5%
Beta (3 Years)	0.83	-
Standard Deviation (3 Years)	14.12%	15.99%
Tracking Error (3 Years)	5.46%	-
Turnover (12 month trailing)	87.5%	-
Number of Holdings	152	-

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

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

	Morningstar Ratings <sup>™</sup> As of 9/30/17 Retail Class	Number of Funds in Small Blend Category
Overall	★★★	653
3 Year	★★★	653
5 Year	★★★	554
10 Year	-	-

<sup>7</sup>Morningstar proprietary ratings reflect historical risk-adjusted performance as of 9/30/17 and are subject to change every month.

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

Top 5 Stocks (3 Months Ended 9/30/17)	Average Weight	Contribution to Return
Spectrum Pharmaceuticals, Inc.	1.06	0.78
IXYS Corporation	0.95	0.40
Medifast, Inc.	0.81	0.32
Neff Corp.	1.09	0.31
RadNet, Inc.	0.66	0.30

  

Bottom 5 Stocks (3 Months Ended 9/30/17)	Average Weight	Contribution to Return
MiMedx Group, Inc.	0.88	-0.19
Ingles Markets, Incorporated Class A	0.62	-0.20
Unisys Corporation	0.44	-0.21
Francesca's Holdings Corporation	0.45	-0.21
Big 5 Sporting Goods Corporation	0.47	-0.29

<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.

### Market Overview

Micro-cap stocks posted their second straight quarter of positive results, with the Russell Microcap® Index up 6.65% for the three months ended September 30, 2017. For the third consecutive quarter, stocks that we view as expensive outperformed companies with high cash-flow-to-price and other positive valuation metrics. Stocks with solid return on equity continued to show mixed results, but those with higher quality (as measured by the Piotroski score) outperformed. Stocks with low volatility and higher historical trading volume underperformed less-volatile and less-liquid stocks.

### Fund Performance

For the third quarter of 2017, the Westcore Micro-Cap Opportunity Fund returned 4.43%, underperforming its benchmark, the Russell Microcap® Index, which returned 6.65%. The models used to help manage and select stocks for the Fund delivered mixed results for the quarter. On an absolute basis, the Fund provided positive returns in 8 of 11 sectors for the quarter. The benchmark's returns were positive in 10 out of 11 sectors on an absolute basis. The Fund outperformed the benchmark in 4 out of the 11 sectors.

### Contributors to Return

The Fund's best-performing sectors, relative to the benchmark, were industrials, utilities, and real estate. Among the Fund's best-performing holdings this quarter was Spectrum Pharmaceuticals Inc., a biotechnology company that primarily focuses on treatments for cancer and blood-based disorders. The company's new lung cancer drug candidate, Poziotinib, performed well in preclinical and clinical studies. IXYS Corp. was another significant contributor to the Fund's performance in the quarter. This power semiconductor manufacturer was acquired by Littelfuse Inc. during the quarter. Another strong performer was Maryland-based Medifast Inc. This manufacturer and distributor of weight management and healthy living products and programs reported better-than-expected results for the second quarter.

### Detractors from Return

The Fund's weakest sectors relative to the benchmark were information technology, consumer discretionary, and health care. Among the Fund's detractors in the quarter was MiMedx Group Inc., a biopharmaceutical company that delivers innovative bioactive healing products for tissue regeneration. The company has been mired in a civil litigation case against former employees. Another detractor from the Fund's performance in the quarter was Ingles Markets Inc., a regional chain of grocery stores based in the southeast. The stock reacted poorly to the news of Amazon.com Inc. purchasing Whole Foods Market Inc. Big 5 Sporting Goods Corp. also hindered the Fund's performance in the quarter. This sporting goods retailer's stock underperformed after its second quarter results fell short of estimates.

### Outlook and Positioning

While the timing of pro-growth policy changes proposed by the new administration has become increasingly murky, the tax reform proposals have had a positive impact on micro-cap stocks. Additionally, we see continued signs of optimism for small companies. While nominal wage growth is still short of target levels, its long-term trend has been improving. U.S. consumer confidence has also remained high and stock market volatility remains at an extremely low level. While valuations are historically high for many stocks, micro-cap stocks, particularly those that are inexpensive based on the cash-flow-to-enterprise-value, remain relatively attractive, in our opinion.

### 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.*

Source for Russell Microcap® Index data, FactSet.

The **Russell Microcap® Index** measures the performance of the microcap segment of the U.S. equity market. It makes up less than 3% of the U.S. equity market. It includes 1,000 of the smallest securities in the small-cap Russell 2000 Index based on a combination of their market cap and current index membership and it includes the next 1,000 securities investors cannot invest directly in this index.

Russell Investments is the owner of the Russell Index data contained in this material and all trademarks and copyrights related thereto. Any further dissemination or redistribution is strictly prohibited. Russell Investments is not responsible for the formatting or configuration of this material or for any inaccuracy in Denver Investments' presentation thereof.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product 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. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10 year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

© 2017 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information.

#### 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.

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.

Westcore Funds are distributed by ALPS Distributors, Inc.

The mountain logo together with "Westcore Funds Denver Investments" is a registered service mark of Denver Investments.

WES003583 01312018