

## WESTCORE MID-CAP VALUE DIVIDEND FUND II

### FACT SHEET | March 31, 2017

Formerly the Westcore MIDCO Growth Fund.

#### STRATEGY

- Focus on dividend-paying mid-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 mid-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	WTMGX	WIMGX
Cusip	957904717	957904204
Inception	8/1/1986	9/28/2007

#### PORTFOLIO MANAGEMENT

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

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

CyrusOne Inc	2.7
Ingredion Inc	2.6
Public Service Enterprise Group Inc	2.5
Edison International	2.4
Great Plains Energy Inc	2.2
Xcel Energy Inc	2.1
Realogy Holdings Corp	2.1
Noble Energy Inc	2.0
Avnet Inc	2.0
AmTrust Financial Services Inc	2.0
<b>Total</b> (% of portfolio)	<b>22.6%</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).

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

Periods Ended 3/31/17 (%)	QTD	YTD	Annualized Returns					Since Inception
			1 Year	3 Years	5 Years	10 Years		
Retail Class	2.01	2.01	4.14	-2.88	4.73	4.37	9.55	
Institutional Class	2.17	2.17	4.48	-2.59	4.99	4.55	9.62	
Russell Midcap® Value Index	3.76	3.76	19.82	8.94	14.07	7.47	11.89	
Mid-Cap Value Dividend II Custom Idx	3.76	3.76	10.72	6.82	11.29	7.81	10.24	
Russell Midcap® Growth Index	6.89	6.89	14.07	7.88	11.95	8.13	10.35	
<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	-6.24	-5.08	4.56	44.67	4.64	-7.20	30.19	
Institutional Class	-5.89	-4.98	4.79	44.94	4.96	-7.17	30.27	
Russell Midcap® Value Index	20.00	-4.78	14.75	33.46	18.51	-1.38	24.75	
Mid-Cap Value Dividend II Custom Idx	7.33	-0.20	11.90	35.74	15.81	-1.65	26.38	
Russell Midcap® Growth Index	7.33	-0.20	11.90	35.74	15.81	-1.65	26.38	

Retail Class Annual Expense Ratio: 1.12% Gross, 1.12% Net

Institutional Class Annual Expense Ratio: 1.08% Gross, 0.93% 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> (%)

	Mid-Cap Value Dividend II	Russell Midcap® Value	Relative Weights
Basic Materials	5.5	6.3	-0.8
Capital Goods	11.6	12.3	-0.7
Consumer	14.7	12.3	2.4
Energy	9.1	9.6	-0.5
Interest Rate Sensitive	17.2	20.1	-2.9
Medical / Healthcare	7.0	4.1	2.9
REITs	10.6	13.3	-2.7
Technology	11.3	10.7	0.6
Utilities	10.6	11.2	-0.6
Cash & Cash Equivalents	2.6	0.0	2.6

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

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

	Mid-Cap Value Dividend II	Russell Midcap® Value
Total Fund Assets (\$ Mil)	\$35.2	-
Total Strategy Assets (\$ Mil)	\$128.2	-
Weighted Average Market Capitalization (\$ Mil)	\$11,190	\$13,741
Median Market Capitalization (\$ Mil)	\$8,858	\$6,531
Discount to Intrinsic Value	24.5%	-
Price/Cash Flow (1 year trailing)	11.5x	12.3x
Price/Book Value	2.2x	2.4x
Price/Earnings (1 year trailing)	19.7x	19.9x
Return on Assets	4.0%	2.6%
Long-Term Debt/Capital	41.1%	43.6%
Beta (3 Years)	1.11	1.00
Standard Deviation (3 Years)	14.39%	11.15%
Tracking Error (3 Years)	7.47%	-
Turnover (12 month trailing)	115.61%	-
Number of Holdings	69	-

<sup>5</sup>Standard Deviation, Beta and Tracking Error statistics versus the Russell Midcap® 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 Mid-Cap Value Category
	Retail Class	Institutional Class	
Overall	★	★	580
3 Year	★	★	580
5 Year	★	★	500
10 Year	★	★★	368

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

Effective 12/27/2016, the Westcore MIDCO Growth Fund has been renamed the Westcore Mid-Cap Value Dividend Fund II.

Source for Russell Midcap® Growth Index and Russell Midcap® Growth Index data, FactSet.

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

The **Westcore Mid-Cap Value Dividend Fund II Custom Index** is comprised of Russell Midcap® Growth Index from the Fund's inception to 12/26/2016 and the Russell Midcap® Value Index for the time period 12/27/2016 to the most recent period end to reflect the change in the Fund's investment strategy on 12/27/2016. The Adviser believes that the Custom Index is the best benchmark measurement for periods prior to 12/27/2016.

The **Russell Midcap® Growth Index** is an unmanaged market-weighted total return index and measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values than the threshold determined by the Frank Russell Company. The Russell Midcap Index includes firms 201 through 1000, based on market capitalization, from the Russell 3000 Index. The Russell 3000 Index represents 98% of the of the investable U.S. equity market. Investors cannot invest directly in the index.

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

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

Top 5 Stocks (3 Months Ended 3/31/17)	Average Weight	Contribution to Return
CyrusOne, Inc.	2.55	0.38
Lam Research Corporation	1.67	0.33
Goodyear Tire & Rubber Company	1.66	0.28
Edison International	2.33	0.25
Grifols, S.A. Sponsored ADR Class B	1.51	0.25

Bottom 5 Stocks (3 Months Ended 3/31/17)	Average Weight	Contribution to Return
CSRA, Inc.	2.04	-0.17
Helmerich & Payne, Inc.	1.41	-0.20
Noble Energy, Inc.	2.23	-0.21
Perrigo Co. Plc	1.09	-0.24
AmTrust Financial Services Inc.	2.17	-0.79

<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.

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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### 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.

**EPS Growth:** Earnings per share is the portion of a company's profit allocated to each outstanding share of common stock. EPS growth serves as an indicator of a company's profitability.

**Market Capitalization:** Represents the total value of a company or stock.

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

**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.

### Market Overview

Mid-cap value stocks continued their climb higher in the first quarter, even as 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, were among the top-performing sectors. The technology sector took the lead in the mid-cap value space, driven by semi-conductor stocks, which continued to climb higher on increased capital expenditures in response to strong demand for flash memory. 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 Mid-Cap Value Dividend Fund II returned 2.01%, underperforming the 3.76% return of its benchmark, the Russell Midcap® Value Index.

### Contributors to Return

The Fund’s top-contributing sectors relative to its benchmark in the quarter were the energy, medical/healthcare, and REITs. Within the medical/healthcare sector, the Fund’s outperformance was driven by global biopharmaceutical holding Grifols S.A. The company announced financial results that met expectations and the market also warmed to the idea that the plasma market may be at the beginning stages of improvement given looming supply constrictions. We believe such a scenario, coupled with improving capacity utilization and reduced duplicative costs, should help offset an increase in near-term collection investments, and drive greater cash flow and return generation. Within the REIT sector, CyrusOne Inc., a data center facility provider for mission-critical data, was another strong performer. CyrusOne recorded solid fourth quarter results that were slightly better than expectations. While signed leases were modest, given that the company has virtually no space to left to sell, sales were up meaningfully in both cloud and enterprise spaces. We expect CyrusOne to produce solid cash flow growth as a record number of 2016 leases commence and it begins adding build-to-suit projects to put capital to work at attractive returns. Goodyear Tire & Rubber Co., a developer, manufacturer, and distributor of tires and related products, was another top-contributing holding for the quarter. A continuation of favorable U.S. tire industry trends and a volatile commodity environment that was well managed by the company led to financial results that met expectations. Although our thesis remains intact and management is executing well, we trimmed the Fund’s position in the quarter, given the share price strength.

### Detractors from Return

The sectors that detracted most from the Fund’s performance relative to its benchmark were interest rate sensitive, technology, and capital goods. 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 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. CSRA Inc., a provider of information technology services to U.S. government customers, was the Fund’s most significant detractor within the technology sector. Following strong share price performance driven by the euphoric post-election defense spending outlook, CSRA’s stock retreated in the first quarter. Investors became concerned about the company competing to keep two large project contracts and the potential for start-up projects to reduce profit margin. Over-the-counter pharmaceutical and specialty drug manufacturer Perrigo Co. weighed on the Fund’s strong performance in the medical/healthcare sector. Weaker-than-expected financial results, partially due to restructuring efforts and foreign currency headwinds, and the unexpected departure of the company’s CFO pressured shares during the quarter. We are optimistic about the company’s turnaround efforts with the election of activists to its board, improvements to its balance sheet through royalty monetization, and the initiation of a global cost reduction plan.

### 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  
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**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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