First Quarter 2017 Commentary

Small Cap Dividend Value Fund

KEELEY Funds

The performance reflected herein is for the Class A shares without load. *"Without load" does not reflect the deduction of the maximum 4.50% sales fee (load), which reduces the performance quoted. Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The investment return and principal will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current to most recent month-end performance data may be obtained at www.KeeleyFunds.com*

This summary represents the views of the portfolio managers as of 3/31/17. Those views may change, and the Fund disclaims any obligation to advise investors of such changes. For the purpose of determining the Fund's holdings, securities of the same issuer are aggregated to determine the weight in the Fund. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities.

***The Fund's Inception date is December 1, 2009.**

Risks: Smaller and medium-sized company stocks are more volatile and less liquid than larger, more established company securities.

Prior to investing, investors should carefully consider the Fund's investment objective, risks, charges and expenses as detailed in the prospectus and summary prospectus. To obtain a prospectus or a summary prospectus, call us at 800.533.5344 or visit www.keeleyfunds.com. The prospectus/summary prospectus should be read carefully before investing.

To Our Shareholders,

For the quarter ended March 31, 2017, The KEELEY Small Cap Dividend Value Fund's net asset value ("NAV") per Class A share declined 0.56% versus a decline of 0.19% for the Russell 2000 Value Index.

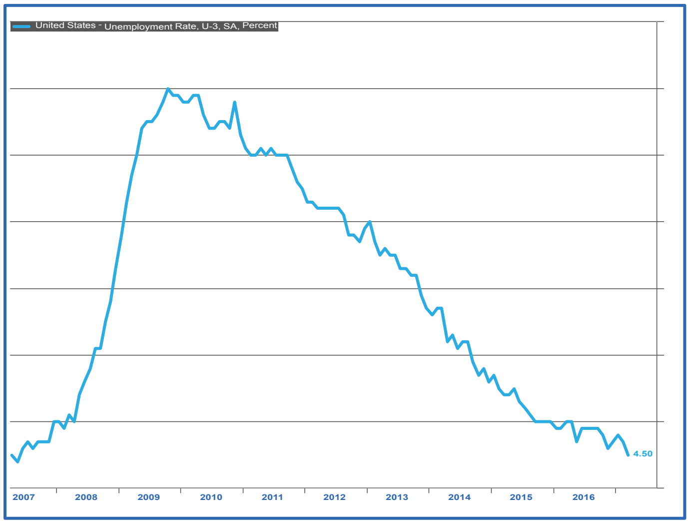
Commentary

Donald Trump's unexpected Presidential election victory ignited a rally in equities that continued through the first quarter and led the bull market into its eighth year. While investors spent much of the beginning of the year enthused about a more pro-business tone in Washington given policy expectations of tax reform, infrastructure spending, and an easing of regulatory burdens, the rally lost some momentum toward the end of the quarter. Economic statistics nonetheless remain favorable with the bulk of the evidence pointing to the first global synchronized economic upturn in some time. Sentiment indicators such as purchasing managers' indices and consumer confidence remain at high levels. Some of the hard data, such as employment and unemployment data are at near-record levels. These trends have continued in the U.S., but increasingly appear to be sustainable in Europe and Asia as well.

Market Performance

As of March 31, 2017	3 Months	YTD	1-Year
S&P 500 Index	6.1%	6.1%	17.2%
Russell 3000 Value Index	3.0%	3.0%	20.0%
Russell 3000 Index	5.7%	5.7%	18.1%
Russell 2500 Value Index	1.6%	1.6%	23.1%
Russell Midcap Value Index	3.8%	3.8%	19.8%
Russell 2000 Index	2.5%	2.5%	26.2%
Russell 2000 Value Index	-0.1%	-0.1%	29.4%
Bloomberg Barclays Agg. Bond Index	0.8%	0.8%	0.4%

U.S. Unemployment Rate (4/30/07 - 3/31/17)



Source: U.S. Bureau of Labor Statistics, Factset.

Despite these positive factors, investors began to pause toward the end of the quarter for several reasons. The most important of these is developments on the political front. The newly inaugurated Trump administration – still feeling its way around Washington – has been slow to gain traction. While it has taken some executive actions to reduce regulation, its relationship with

Congress appears strained. This was exemplified when its efforts to repeal/replace the Affordable Care Act ran aground in March. How the administration fares with tax reform, which is the next major legislative item on the White House's agenda, could have meaningful implications for equity markets, which clearly already have priced in some expectations of tax relief in 2017.

The contrast between an economy that appears on solid footing and a government that does not, was reflected in the markets' actions. While the S&P 500 advanced more than 6%, the potential for a slowdown in the economy led the 10-year Treasury yield to decline from 2.6% to 2.3%. In addition, large cap stocks outperformed small cap due to more exposure to improving international economies and growth outperformed value. These trends were reversals from what occurred in the fourth quarter. In the first quarter, the Trump-related reflation trade came to an end (or at least paused), and, those corners of the market that had benefited from the Trump trade – and in particular, from ebullience over the likelihood of faster GDP growth – lagged, as markets rebased GDP growth expectations closer to 2% than 3%.

Even so, we view this economic environment as generally healthy for small capitalization company fundamentals. The new administration is still finding its way and the likelihood of faster GDP growth remains high given Trump's focus to drive change. We are not alone in this viewpoint of optimism as current stock valuations place small caps at 19x earnings, above the above the upper end of historic norms. In recognition, we remain very selective. During the quarter, we exited six investments and initiated four. Three of our exits were driven by valuation concerns, one was due to size, one due to a change in fundamentals, and one was acquired. As a group, the new purchases have a higher yield than the exited positions and the portfolio overall.

Reviewing the broad drivers of the Fund's performance, earnings reports impacted several names, either through disappointing short term results (in the cases of Ensign and Aceto) or by not surpassing lofty expectations. The Fund gained a benefit from its underweight holdings in Energy and Financials, although it was small as our sector balance is only slightly biased. Both sectors gave back a portion of the gains marked in the exit of the calendar year, and these sectors have become investment targets as of late.

The top three performing stocks in the quarter were:

Marriott Vacations Worldwide (VAC) is one of the leading developers, marketers, and managers of timeshare resorts. It was spun out of Marriott Corporation in 2011 and retains its close affiliation with Marriott Corporation which gives it premium positioning in the market. In the first years after the spin, Marriott Vacations worked to improve its profitability. More recently, it restarted its development engine. The costs of that activity began in early 2016, and the fruits of those efforts began to show up in the fourth quarter. The stock was strong in the first quarter after the company reported strong earnings for Q4 2016 and offered and encouraging outlook for 2017.

Cypress Semiconductor (CY) is a semiconductor company with three distinct product areas: flash memory, USB (universal serial bus) controllers, and IoT (internet of things) devices. It has significant exposure to the automotive and industrial markets; both of which are increasing their semiconductor content. Historically, Cypress invested heavily in a broad range of emerging technologies. While it had some success with these ventures, and these investments probably created value in aggregate, they often seemed to be a distraction. With a change in CEO, the company is becoming more focused and it seems like it is more likely to hit its longer-term margin aspirations than it used to be. This, combined with emerging product cycles in USB and IOT, drive our enthusiasm for the shares. The stock performed well in the first quarter on the strength of solid Q4 2016 earnings, a positive outlook, a constructive analyst meeting, and a little activism from its former CEO.

Small Cap Dividend Value Fund

Diebold Nixdorf (DBD) operates as a leader in Automated Teller Machine (ATM) service and manufacturing industry. In 2013, new CEO Andy Mattes was brought in to lead a business transformation labeled "Diebold 2.0". Under his leadership, the company upgraded talent focusing more on software, streamlined operations to reduce their cost structure, sold their electronic security business to Securitas for $300mm and acquired their more European focused competitor Wincor Nixdorf of Germany. The Nixdorf acquisition strengthens their geographic reach and allows them to be more competitive vs. market leader NCR. Diebold also gained a retail offering that is strong in Europe, but can now better penetrate the US leveraging Diebold's existing domestic service organization. Through rationalization of excess manufacturing capacity and other costs savings, operating margins should increase from 5% in 2016 to 9% by 2020. Improving service margins are also key to the combined story as the legacy Nixdorf metrics lag those of legacy Diebold. Combined, we believe that by 2020 Diebold will be generating $3.50 a share in earnings.

The bottom three performing stocks in the quarter were:

CECO Environmental (CECE) designs and manufactures equipment for air pollution control and handling of corrosive liquids used in the Industrial, Energy, and Petrochemical industries. Last year, the company was a very strong performer, but during the quarter, the company announced that CEO Jeff Lang was departing the company. While surprising, the reasons were understandable as Mr. Lang's key strength resided in acquisitions and integration. Eighteen months after the acquisition of PMFG, the company now needs to focus upon internal organic growth. Subsequently, the shares were pressured as CECO became the target of a short seller. The published short report included speculation about the circumstances of the CEO's departure and made incorrect calculations inferring the violation of debt covenants. In contrast, the company reported better than expected results for the quarter as margin expansion continued. Additionally, the board raised the quarterly dividend 13.6%. Nearer-term, the company will endure some headwinds not dissimilar to other industrial producers as end markets continue to be sluggish, but the company expects a rebound in the second-half of the year.

NACCO Industries (NC) is a holding company operating in three distinct segments and is best known for its Hamilton Beach brand of small appliances. The other two segments include coal mining and specialty retail. In 2016, the stock benefitted from the company posting solid quarterly results with strong EBITDA growth and free cash flow enabling NACCO to reduce net debt levels. However, the stock returned some of last year's strong performance as an aggressive growth target for the unconsolidated mining operations was delayed three years. As the company has a negligible sell-side following, we still see tremendous value in the shares at these levels.

FBL Financial Group (FFG) is a life insurance company licensing and operating as the Farm Bureau Life Insurance brand in 14 states, primarily focused on the Great Plains. Products include standard life and annuities sold through its 1,800-agent sales force. Though no worrisome developments surfaced during the quarter, the stock declined 14%. We believe this movement was in concert with the decline in long-term interest rates as the reinvestment of premiums make life insurance companies sensitive to interest rates. Management has a history of being excellent stewards of capital and we continue to like FBL's lower-risk book of business.

Conclusion

We remain focused on uncovering companies with stable to rising dividends yet are undervalued relative to the market and to their peers. As discussed before, we do not chase yield. Rather, we use the payment of a dividend as a sign of financial strength and of management's commitment to shareholders. We believe our portfolio constructed of dividend-paying stocks will offer investors a Fund with attractive risk-adjusted returns over time. We thank you for your investment in the KEELEY Small Cap Dividend Value Fund and will continue to work hard to justify your confidence and trust.

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The Fund's adviser has contractually agreed to waive a portion of its management fee or reimburse the Fund if total ordinary operating expenses during the current fiscal year as a percentage of the Fund's average net assets exceed 1.29% for Class A Shares and 1.04% for Class I Shares. The waiver excludes expenses related to taxes, interest charges, dividend expenses incurred on securities that a Fund sells short, litigation and other extraordinary expenses, brokerage commissions and other charges relating to the purchase and sale of portfolio securities. The waiver is in effect through January 31, 2018 and neither the Fund's adviser nor the Fund can discontinue the agreement prior to its expiration. **The expense ratios presented herein are for the Class A shares.

AVERAGE ANNUAL TOTAL RETURNS (as of 3/31/2017)

	KSDVX No Load	KSDVX Load	Russell 2000 Value
1 Year	23.70%	18.11%	29.37%
5 Year	11.37%	10.36%	12.54%
Since Inception**	13.82%	13.11%	13.40%

Expense Ratio (Gross)**	1.64%
Waiver/Expense Reimbursement**	-0.19%
Expense Ratio (Net)**	1.45%

Stocks of smaller cap companies tend to be more volatile and less liquid than those of large cap companies.

Top Ten Holdings (Percent of Net Assets)
March 31, 2017

Name	Weight (%)	Name	Weight (%)
Marriott Vacations Worldwide Corporation	2.48%	Wintrust Financial Corporation	2.00%
BancorpSouth, Inc.	2.32%	Winnebago Industries, Inc.	2.00%
Cypress Semiconductor Corporation	2.14%	Berkshire Hills Bancorp, Inc.	1.94%
Diebold Nixdorf, Inc.	2.07%	Hanmi Financial Corporation	1.88%
FBL Financial Group, Inc.	2.03%	Columbia Banking System, Inc.	1.82%

Performance attribution is commonly used to measure the quality of the separate decisions that go into the management of an investment portfolio compared to a benchmark index. This analysis tries to isolate the effect and measure the return contribution of market allocation, which analyzes the positive/negative impact of a portfolio's allocation to groupings such as geographic regions or market sectors, and stock selection, which analyzes the positive/negative impact of the portfolio manager's security ownership and weighting decisions within a wider grouping. The performance attribution data in this quarterly commentary was prepared by Keeley-Teton Advisors, LLC ("Keeley Teton") using the following constraints: (1) Fund portfolio holdings are as of the beginning of each day; index constituents are as of the end of the day. That means that the Fund's holdings are not included until the day after acquisition (when it is included in the portfolio as of the beginning of the next business day), and a portfolio holding that is sold is included in the analysis through the end of the day on which it is sold, and that the values at which securities are included in the analysis are the values as of the beginning of the day. For the index, securities are included at their values at the end of the day. (2) The securities' values used in the analysis are the prices used by Keeley Teton in its internal records for the Fund and the prices used by the index provider for the benchmark index. If a price from either of those sources is unavailable, pricing information from FactSet is used. Pricing information from the index provider or from FactSet may differ from the pricing information used by Keeley Teton. (3) Sector and/or industry classifications may change over time. The attribution information provided in this commentary includes summaries of attribution by market sector. Attribution is not precise and should be considered to be an approximation of the relative contribution of each of the sectors considered. The information on performance by sector reflects the aggregated gross return of the Fund's securities. Contributions to the Fund's performance by sector (computed as described above) were compared against the contributions to the aggregate return of the stocks comprising the index, by sector, as reported by FactSet Databases. Holdings returns for this commentary are calculated as total returns, which reflect any dividends or income earned during the period. Prior to September 30, 2016, holdings returns were based upon price percentage change.

Small Cap Dividend Value Fund

Data provided for performance attribution are estimates based on unaudited portfolio results. Performance contributors and detractors were not realized gains or losses for the Fund during the quarter. Market performance presented solely for informational purposes. The S&P 500 Index is designed to act as a barometer for the overall U.S. stock market. The index is unmanaged, consisting of 500 stocks that are chosen on the basis of market size, liquidity, and industry grouping. The S&P 500 is a market value weighted index with each stock's weight in the index proportionate to its market value. The Russell 2000® Value Index is an unmanaged index that measures the performance of the small-cap value segment of the U.S. equity universe and includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000® Index is an unmanaged index that measures the performance of the smallest 2,000 companies by market capitalization of the Russell 3000® Index. The Russell 2500® Value Index is an unmanaged index that measures the performance of the small to mid-cap value segment of the U.S. equity universe and includes those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2500® Index is an unmanaged index that measures the performance of the 2,500 smallest companies by market capitalization of the Russell 3000® Index. The Russell Midcap® Value Index is an unmanaged index that measures the performance of the mid-cap value segment of the U.S. equity universe and includes those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The Russell Midcap® Index is an unmanaged index that measures the performance of the 800 smallest companies by market capitalization of the Russell 1000® Index. The Russell 1000® Index is an unmanaged index that measures the performance of the 1,000 largest companies by market capitalization of the Russell 3000® Index. The Russell 3000® Value Index is an unmanaged index that measures the performance of the broad value segment of the U.S. equity universe and includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 3000® Index is an unmanaged index that measures the performance of the 3,000 largest U.S. companies by market capitalization. The Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. These Index figures do not reflect any deduction for fees, expenses or taxes, and are not available for direct investment. Securities in the Fund may not match those in the indexes and performance of the Fund will differ. The KEELEY All Cap Value Fund, KEELEY Small-Mid Cap Value Fund, KEELEY Small Cap Value Fund, KEELEY Small Cap Dividend Value Fund and KEELEY Mid Cap Dividend Value Fund are distributed by G.distributors, LLC.

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