KEELEY
Funds

Second Quarter 2017 Commentary

All Cap Value Fund

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 6/30/17. 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 June 14, 2006.**

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 June 30, 2017, the Keeley All Cap Value Fund's net asset value ("NAV") per Class A share declined by 2.21% versus a gain of 1.29% for the Russell 3000 Value.

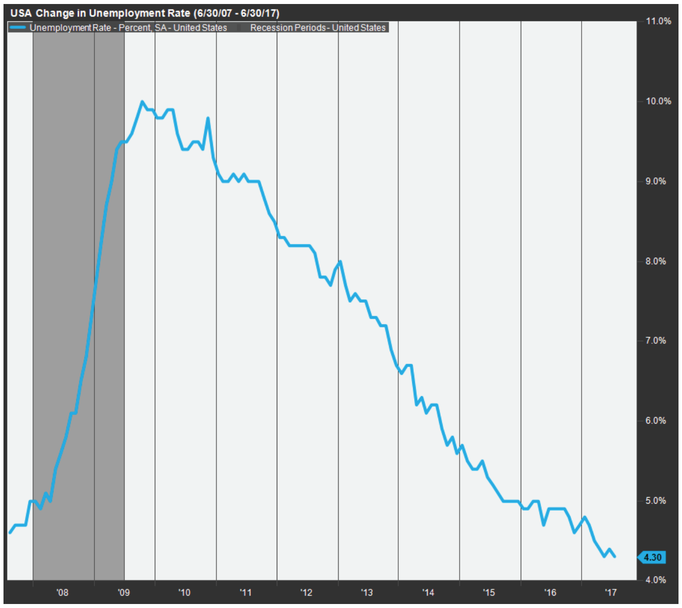
Commentary

Despite various fits and starts, the domestic economy grew steadily in the second quarter of 2017. Although job growth reports during the quarter were muted, with March and May nonfarm payrolls falling short of consensus estimates, the April report presented a rosier picture. The general choppiness in this data seemed to create confusion for investors about the overall direction of the economy. Meanwhile, the Federal Reserve Board maintained its stance to raise the Federal Funds target rate despite inflation remaining below the Fed's 2% long-term goal. Beyond macroeconomic data, President Trump's first full calendar quarter in the White House was replete with turmoil, and his ambitious agenda of tax cuts, healthcare reform, increased infrastructure spending and reduced regulation remained in limbo amid bipartisan opposition to healthcare reform and general political gridlock. Additionally, public and media focus on non-legislative issues involving the President and his advisors also proved distracting. While there remains an opportunity for Congress to enact some of the President's agenda, the economic data and the lack of action in Washington together raise some concern about U.S. GDP growth looking ahead. During the quarter, large-cap stocks generally outperformed small-cap stocks and growth stocks generally outperformed value stocks. The stronger performance from large-cap stocks, with their wider margins, better returns on invested capital and stronger balance sheets, may suggest

Market Performance

As of June 30, 2017	3 Months	YTD	1-Year
S&P 500 Index	3.1%	9.3%	17.9%
Russell 3000 Value Index	1.3%	4.3%	16.2%
Russell 3000 Index	3.0%	8.9%	18.5%
Russell 2500 Value Index	0.3%	2.0%	18.4%
Russell Midcap Value Index	1.4%	5.2%	15.9%
Russell 2000 Index	2.5%	5.0%	24.6%
Russell 2000 Value Index	0.7%	0.5%	24.9%
Bloomberg Barclays Agg. Bond Index	1.5%	2.3%	-0.3%

USA Change in Unemployment Rate (6/30/07 - 6/30/17)



Source: U.S. Bureau of Labor Statistics, Factset. Grey represents recession periods.

investors are becoming more concerned about U.S. GDP growth. In addition, stocks with greater international exposure generally bested those with no business overseas, offering further evidence that investor worries over the domestic economy may be causing them to shift assets to companies with exposure to geographies that are less correlated to the U.S. While we believe that the economic outlook contains many cross-currents, it seems that a return to investor bullishness in the near-term would require some encouraging signals. It remains to be seen whether stronger this will come in the form of improved nonfarm payroll data, higher corporate spending or movement on still-stalled legislation in Washington.

Sector allocation had a slight positive effect in the quarter as we were overweight the best performing sector, Healthcare (+6%) and underweight the worst, Telecom (-7%). Stock selection led to positive relative attribution in Information Technology and Materials. However, these gains were more than offset by relative challenges in the Financial, Industrial and Utilities sectors.

In the quarter, energy names underperformed as the price of oil fell from $50 per barrel to the low $40's before recovering to the mid-$40's by quarter end. The oil market is generally over supplied and risks being dependent on OPEC to continue to limit their output. This over supply scare seems to have effected all energy exposed securities including our holdings in EOG Resources (EOG), Parsley Energy (PE), Delek (DK), and Paterson-UTI Energy (PTEN).

We remain cautiously optimistic regarding our outlook on the second half. We think the U.S. will continue to work on normalizing rates, though at a slow, controlled pace as inflation is still well-below the Fed's target despite strong employment. The market continues to move forward on the economy's apparent strength regardless of expectations regarding the passage of President Trump's policy agenda. We believe that any reduction in corporate tax rates would be most beneficial to small cap companies given their domestic focus. This might also increase merger and acquisition activity due to clarity on tax policy. With little stimulus from Washington, the U.S. economy should continue to grow in the low single digit range as the World economies heal. A focus back onto company fundamentals and those companies that can do something to accelerate growth in this environment should benefit active management and our restructuring driven approach.

Contributors and Detractors

The top three performing stocks in the quarter were:

Zoetis (ZTS) is an animal health company that was a spin off from Pfizer. The company reported very strong quarterly earnings and raised guidance for the full year. Early in the quarter, the company announced the acquisition of Nextvet, which strengthens their pipeline by adding an injectable pain platform to further diversify their animal health portfolio. Zoetis remains well positioned to continue to increase share in the livestock and companion animal markets while being insulated from the drug pricing and healthcare reform issues pressuring the human pharmaceutical companies.

Abbott Labs (ABT) is a large, multinational health care products company focusing on pharmaceuticals, diagnostic and nutritional products. The company reported a nice quarter beating estimates for both sales and earnings, and continued to execute well on the integration of recently acquired St. Jude Medical. Abbott also cleared the last hurdle to complete the long-delayed purchase of Alere (ALR) which should close in the third quarter of 2017.

Howard Hughes Corp. (HHC) is a real estate development company that was a spinoff from General Growth Properties. The company has benefitted from growing excitement as they become more shareholder friendly under the leadership of new CFO, David O'Reilly. Showcasing one of their major developments, they held their inaugural investor day at South Street Seaport in New York City. This followed their first earnings conference call earlier in the quarter. Finally, the company has also begun to travel and proactively meet with investors. Operationally, HHC is continuing to progress on developing their five main projects and they remain focused on increasing the Net Operating Income (NOI) as the developments mature.

The bottom three performing stocks in the quarter were:

Wright Medical Group (WMGI) is a global medical device company focused on extremities and biologics. The company had exceeded analysts' estimates for the past four quarters and EBITDA margins have increased from -5.5% in 4Q15 to 11.7% in 4Q16, on its way towards their 20% margin target by 2019. Unfortunately, the company missed first quarter 2017 earnings as a planned salesforce expansion did not lead to increased sales as quickly as hoped. Underlying metrics remain strong and the company should recover as the year proceeds. In addition, a recent Financial Times article reported on speculation that a larger orthopedic company may be looking to acquire Wright. Given the consolidation in the orthopedic market and CEO Palmisano's history of selling his prior companies, we would not be surprised if a strategic player recognizes Wright's intrinsic value sooner than expected.

Kennedy Wilson (KW) is a vertically integrated global real estate investments and services firm that is involved in every aspect of real estate. Kennedy Wilson entered the UK/Ireland market in 2011 by acquiring $1.8bn of troubled real estate from the Bank of Ireland, and later took this entity, Kennedy Wilson Europe (KWE), public in 2014 retaining a 17.7% interest. With the decision for BREXIT, KWE traded down despite limited exposure to the UK and London. Believing KWE was being significantly undervalued, management increased their ownership stake to 24% via open market purchases, and then subsequently decided to acquire the remaining portion of KWE for stock, which has led to arbitrage trading pressure on the stock. Once the transaction is complete, we believe the cost savings and a more simplified structure will enable the stock to outperform and close the discount to its net asset value.

Patterson-UTI (PTEN) is an oil services company that is a leading operator of high specification drilling rigs as well as an operator of a large pressure pumping fleet. Both businesses should see a dramatic recovery in margins as capacity in the industry tightens from a reacceleration in drilling activity based on exploration & production (E&P) customer budgets. To start the year, several E&P customers had acknowledged a 10-15% increase in service costs in their capital budgeting for 2017 due to a lack of availability in pressure pumping horsepower and high spec drilling rigs. Also, Patterson is about to close on its acquisition of Seventy Seven Energy, which recently emerged from bankruptcy, adding scale to both sides of its business. The stock performed poorly during the quarter as oil prices pulled back to the mid-$40 per barrel range which sparked fears that US drilling activity might slow its recovery. However, on the company's earnings call, the company spoke to the activation of more pressure pumping crews and equipment which will be deployed in second quarter of 2017 as well as construction of two new high spec rigs for customers with day rates that are near pre-downturn levels. Both data points are indicative that our utilization and pricing recovery thesis is intact.

Conclusion

We are cautiously optimistic for the remainder of 2017 and feel this more rational market will recognize the value inherent in our restructuring stories. We remain bottom-up, value-oriented stock pickers, committed to uncovering mispriced equities of companies undergoing some type of restructuring action to unlock hidden value. Thank you for investing in the Keeley All Cap Value Fund. We appreciate your confidence and trust.

KEELEY Funds

All Cap Value Fund

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 1.39% for Class A Shares and 1.14% 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 6/30/2017)

	KACVX No Load	KACVX Load	Russell 3000 Value
1 Year	12.39%	7.33%	16.21%
5 Year	10.24%	9.23%	13.89%
10 Year	3.96%	3.48%	5.59%
Since Inception**	6.30%	5.86%	7.32%

Expense Ratio (Gross)**	1.53%
Waiver/Expense Reimbursement**	-0.11%
Expense Ratio (Net)**	1.42%

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)
June 30, 2017

Name	Weight (%)	Name	Weight (%)
Visteon Corporation	4.20%	Voya Financial, Inc.	3.77%
NRG Energy, Inc.	4.12%	Shire PLC Sponsored ADR	3.60%
Howard Hughes Corporation	3.99%	EOG Resources, Inc.	3.50%
Abbott Laboratories	3.88%	Mondelez International, Inc.	3.39%
Air Lease Corporation	3.80%	Equity Commonwealth	3.23%

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.

All Cap 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.

KEELEY Funds
Direct Shareholders: 888-933-5391
Investment Professionals: 800-422-2274
National Accounts: 800-533-5344
info@keeleyfunds.com

Distributed By:
G.distributors LLC
Member FINRA/SIPC
800-422-2274