Second Quarter 2017 Commentary

Mid 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 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 October 1, 2011.**

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 Mid Cap Dividend Value Fund's net asset value ("NAV") per Class A share declined 0.80% versus a gain of 1.37% for the Russell Mid Cap Value Index.

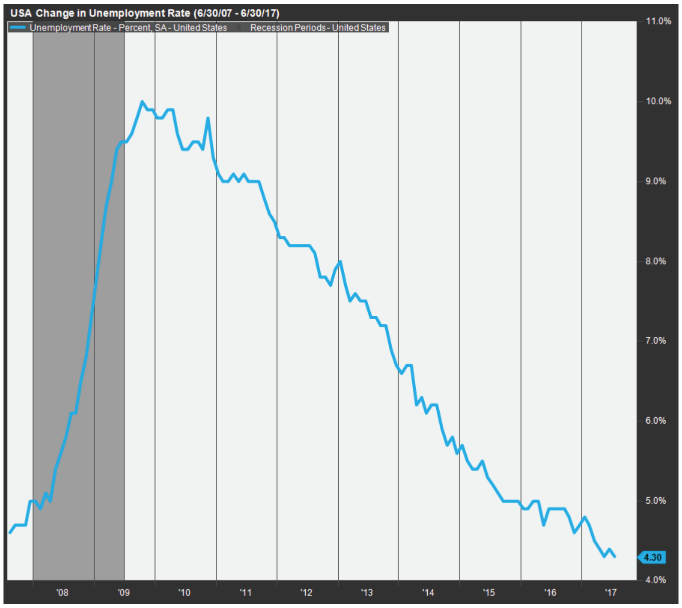
Commentary

The factors that drove much of last year's success for the Keeley Mid Cap Dividend Value Fund continued to reverse in the second quarter. Last year, the Fund benefitted from a multitude of factors, including its interest rate sensitivity, its lower-than-index-average market capitalization, M&A activity, investor enthusiasm for the US election results, and strong stock selection. This year, the decline in longer-term interest rates has been a headwind. The Fund holds significant positions in Financial sector stocks that we expect would benefit from a rise in interest rates. For example, banks such as Comerica and life insurance companies like Lincoln National and Voya expect to see higher earnings in a rising rate environment. We believe that they will see increased earnings, but their valuation multiples seem to have been pressured by declining expectations for rate increases. From an acquisition perspective, the Fund did not have any of its holdings acquired in the first half of 2017 after seeing four companies acquired last year. While the Fund was not specifically positioned in anticipation of a Trump win in November, it benefitted through its Financial and Industrial sector holdings. The President's announced agenda of lower taxes, reduced regulation, and increased infrastructure spending spurred stocks higher last year. The difficulty in advancing that agenda has resulted in lagging performance for some of the sectors and sub-sectors initially benefitting from

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.

the "Trump Trade" in the fourth quarter of 2016.

In breaking down relative performance, we find that the Fund benefitted primarily from a slight underweight in the Energy sector relative to its benchmark index, as well as superior stock selection within the Materials, Energy, and Technology sectors. Offsetting this was a common theme of weakness in the Retailing industry, which impacted our holdings in both the Consumer Discretionary and Real Estate sectors. The Fund's biggest detractor in the Consumer Discretionary sector (and overall) was Foot Locker, but American Eagle Outfitters also hurt performance. In Real Estate, the three largest detractors were Spirit Realty, DDR Corp., and Brixmor Property. All three own properties leased to retailers or other consumer service companies (e.g. restaurants and convenience stores). Our thesis of low unemployment, rising consumer confidence, and low fuel prices creating an attractive backdrop for increased retail spending has not materialized. While many investors focus on the "Amazon effect" (retail spending moving on-line), aggregate retail sales have been more tepid than the underlying economic drivers would suggest. Within the Industrial sector, some of what we believe are the better businesses in which the Fund is invested caused a large portion of the relative underperformance: these included Ritchie Bros. Auctioneers and Snap-On.

While we remain cautiously optimistic, we believe the range of potential paths for the market may be wider than normal. On one hand, the Trump administration is having more difficulty finding its footing than any in recent memory. With health care reform near dead, Congressional leaders are now trying to move on and address tax reform. While not as divisive as health care, the two parties do not share a great deal of common ground on this issue either. Moreover, the President does not appear to have the political capital to unite his party to pass legislation that may not be overwhelmingly popular. If Washington cannot make progress on this issue by year-end, the prospects for any action will likely fade. The Democrats may then decide to try to run out the clock and hope that the 2018 mid-term elections reestablish their majority in one or both houses of Congress. This uncertainly could take a toll on consumer and investor confidence, thereby slowing the economy and creating problems for the market. The other set of possibilities has the Trump administration settling down and getting back to leadership on policy advancement. A combination of lower corporate taxes, reduced regulation, and infrastructure spending could be a powerful driver of economic growth and corporate profits.

Contributors and Detractors

The top three performing stocks in the quarter were:

Wyndham Worldwide (WYN) operates businesses in three segments of the lodging industry: hotels, rentals, and timeshares, the latter of which enjoys leading market share and accounts for roughly half of Wyndham's sales. The stock performed well in the quarter on a pick-up in timeshare sales as the company completes working through some sales execution issues from last year. In addition, the recent hiring of Hilton's timeshare chief operating officer puts into place a critical piece for a potential spin of that business to shareholders.

DXC Technology (DXC) formerly known as Computer Sciences, is one of the largest technology services companies in the world. A merger of the legacy Computer Sciences business with Hewlett-Packard's Enterprise Services unit created DXC. The combination increases the company's scale and expands its offerings to clients. It also offers substantial cost savings opportunities. This management team has been adept at driving costs out of the legacy Computer Sciences business and we believe they will achieve their targets with the combined company.

Cigna Corporation (CI) is a leading managed care organization with a strong position serving self-insured plans. It had agreed to be acquired by Anthem about two years ago, but the deal failed to win antitrust approval. The two companies finally terminated the merger agreement during the quarter, although they are currently litigating the break-up fee. With Cigna no longer expending resources on the merger, investors expect the company to deploy capital that built-up during the acquisition process into share repurchases and/or acquisitions. In addition, Cigna resolved some regulatory issues in its Medicare business.

The bottom three performing stocks in the quarter were:

Foot Locker (FL) is the largest specialty retailer of athletic footwear. Its stock retreated under the weight of two developments. First, it lowered earnings expectations due to a late start to the season. In addition, Nike indicated that it would begin to sell directly to Amazon, raising the specter of a new, aggressive competitor.

SM Energy (SM) is an oil exploration and development company. Its shares fell in the quarter due to the weakness in the price of oil. SM tends to respond more to oil prices than most other E&P companies due to its higher leverage. In addition, the company announced that it was halting the sale of some non-core assets due to the lack of interest in the properties. This leaves the company more levered and its stock more likely to track oil prices.

Spirit Realty Capital (SRC) is a real estate investment trust that owns and leases single tenant retail properties on a triple-net basis. Concerns about the impact of on-line shopping on retailers and their landlords pressured the stock during the first. Spirit partially confirmed these fears as it backed away from its acquisition program to more carefully work through its current portfolio. It also had some tenant issues, although these were generally not traditional retailing clients.

Conclusion

We believe that the Fund is well diversified across a broad cross section of dividend-paying equities attractively priced for handsome returns over the next market cycle. We appreciate 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 6/30/2017)

	KMDVX No Load	KMDVX Load	Russell Midcap Value
1 Year	14.46%	9.33%	15.93%
5 Year	14.44%	13.39%	15.14%
Since Inception**	16.15%	15.22%	17.90%

Expense Ratio (Gross)**	1.53%
Waiver/Expense Reimbursement**	-0.23%
Expense Ratio (Net)**	1.30%

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 (%)
Lincoln National Corporation	2.43%	FMC Corporation	2.14%
Comerica Incorporated	2.32%	Iron Mountain, Inc.	2.06%
Vulcan Materials Company	2.19%	DXC Technology Co.	2.03%
BOK Financial Corporation	2.18%	Wyndham Worldwide Corporation	1.97%
Air Lease Corporation	2.18%	Cigna Corporation	1.93%

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.

Mid Cap Dividend Value Fund

The Global Industry Classification Standard (“GICS”) was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by Keeley Teton. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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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