KEELEY Funds

Small Mid 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 August 15, 2007.**

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 Small-Mid Cap Value Fund's net asset value ("NAV") per Class A share appreciated 0.57% versus 0.32% for the Russell 2500 Value Index.

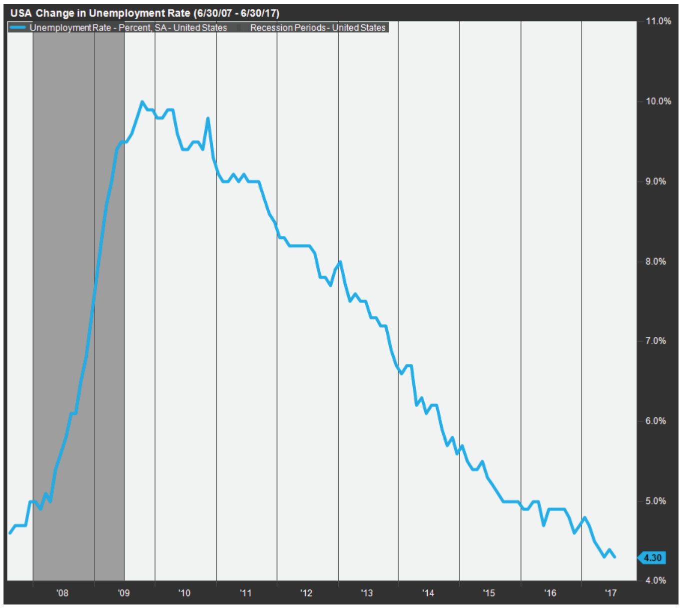
Commentary

With 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 injected 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, we acknowledge that a return to investor bullishness towards domestic small-cap stocks would require new signals in the near-term. It remains to be seen whether this will come in the form of improved nonfarm payroll data, higher corporate spending or movement on stalled legislation in Washington.

The Fund's outperformance in the quarter was driven equally by positive sector allocation and stock selection. Sector allocation had a positive effect in the quarter as we were overweight two of the top four performing sectors, Consumer Discretionary (+4%) and Industrials (+2%), and underweight Energy (-19%), the worst performing sector. We have historically found more restructuring, value ideas in mature Industrials and Consumer Discretionary areas, and our holdings within these two sectors were very strong during the current quarter. Within Consumer Discretionary, stronger than expected earnings reports helped Marriott Vacation (VAC +17%), PVH Corp. (PVH +11%) and Delphi (DLPH +9%), while Tribune (TRCO +11%) announced it was being acquired by Sinclair Broadcasting (SBG). A strong housing/remodeling market enabled A.O. Smith (AOS +10%) and Fortune Brands Home and Security (FBHS +7%) to outperform within Industrials, while another accretive acquisition aided John Bean Technologies (JBT +11%). Likewise, our Materials holdings outperformed with better than expected earnings at Kaiser Aluminum (KALU +11%) while Huntsman (HUNT +6%) announced a merger with Clariant AG, and Ashland (ASH +6%) spun-off its remaining stake in Valvoline (VVV +7%). Although Energy was the worst performing sector in the Russell 2500 Value Index, down 19%, our underweight position and focus upon higher quality operators and Permian Basin assets aided the Fund's relative performance. On the negative side, Healthcare detracted due to a slight underweight to the best performing sector plus a position in Wright Medical (WMGI -12%), a company that missed earnings due to an investment in growing its salesforce by 50%. Stock selection also impacted Utilities via our position in NRG Energy (NRG -8%), a company that also missed earnings while in the midst of a business review spurred by activist investors. Our Technology stocks, which were very strong in the first quarter of 2017, reflected instances of intra-sector rotation and profit-taking in the current quarter as little, if any, changes to their fundamental investment theses were exhibited. Knowles (KN) was up 13% in 1Q 2017 but down 10% in the current quarter, Verint (VRNT) was up 23% in 1Q 2017 but down 7% in the current quarter, and CDK Global (CDK) was up 8% in 1Q 2017 but down 4% in the current quarter.

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 the small-cap companies in which we invest 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 global economy heals. A focus which returns to company fundamentals and the ability of individual companies to accelerate their growth profile in this environment should benefit active management and our restructuring driven approach.

Contributors and Detractors

The top three performing stocks in the quarter were:

Marriott Vacations (VAC) is one of the leading developers, marketers, and managers of timeshare resorts. This was the second quarter in a row of strong performance for Marriott Vacations as it was our fourth largest contributor in the first quarter. The stock rose on the strength of recent sales and earnings results which are being driven by a maturing development pipeline and an expansion in its sales network. In addition, the company has been rumored to be looking at acquiring competitor, Interval Leisure Group (ILG). Depending on the price paid, this could be a good deal for Marriott Vacation as it would unify the timeshare businesses of the now-merged Marriott and Starwood lodging franchises.

John Bean Technologies (JBT) is a technology solutions provider to the food, beverage, and air transportation industries. It operates two business segments: JBT FoodTech and JBT AeroTech. FoodTech designs, manufactures and services food processing systems used for fruit juice production, frozen food production, in-container food production, automated systems and convenience food preparation by the food industry. AeroTech designs, manufactures and services airport ground support and gate equipment and provides services for airport authorities, airlines, airfreight, and ground handling companies. As the global middle class continues to grow, increasing demands for safety and better yields are being placed on food companies. JBT has been the leading consolidator in this highly-fragmented market, and it has been very successful making accretive acquisitions that leverage its technological expertise and global reach. Similarly, the growing global middle class is increasing demand for air travel benefitting the AeroTech group. As these two businesses continue to grow, there also exists the possibility of a separation sometime in the future.

Tribune Media Co. (TRCO) is a diversified media and entertainment company with assets that have included local broadcasting stations, a digital metadata business, a national cable network and production studio, equity interests in certain internet media assets, and a large real estate portfolio. Tribune was the 2nd largest contributor in 1Q 2017 as it monetized non-core assets to clean up its structure and unlock hidden value. The efforts to streamline and simplify the company have not gone unnoticed within the industry as they have become the subject of takeover speculation in the wake of the proposed deregulation expected from the new FCC administration as well as the recent departure of CEO Peter Liguori. During the FCC broadcast spectrum auction, companies were not allowed to talk to one another to prevent bidding/price collusion. As soon as the auction completed, Sinclair Broadcasting (SBG) anounced it would be acquiring Tribune.

The bottom three performing stocks in the quarter were:

SM Energy Company (SM) is an exploration & production company operating primarily in the Permian and Eagle Ford basins in Texas. The company has been transforming its oil and gas portfolio from a highly diversified geographic model to one focused solely on the lowest cost Permian Basin. With the decline in oil prices from the mid $50s to the mid $40s per barrel due to oversupply, SM Energy was unable to sell its non-core acreage in the Bakken (North Dakota). In addition, industry skepticism surrounding the eastern portion of its Howard County acreage remains, despite the company stating early results from its first well demonstrating a strong flow rate that continues to climb with a 92% oil mix. The industry standard 30-day IP rate for this well will be announced during the company's second quarter call and a continued strong flow rate should help SM close the significant discount at which it trades versus other Permian Basin peers.

Knowles Corp. (KN) is a designer and manufacturer of advanced micro-acoustic components and human interface solutions for the mobile communications, consumer electronics, medical technology, military, aerospace and industrial markets. The company was a spin-off from Dover Corporation (DOV) and is primarily known for its microphones and integrated modules that are used in cellphones and hearing aids. The company has done an excellent job regaining share and maintaining product quality excellence after fixing an intermittent issue with microphones made for the iPhone 6. Though a delay in the new iPhone 8 has caused some concern, investors have yet to see traction from new products promised with the dilutive acquisition of Audience and are beginning to lose patience. With the success of the Amazon Echo as well as the company's leading technology and market position, Knowles is becoming the pure way to invest in "voice" as the natural interface with machines. A successful launch of the iPhone 8, further proliferation of voice controlled devices, and management focus on improving returns on invested capital should drive better stock performance.

NRG Energy Inc. (NRG) is an independent producer of electricity with a portfolio of 44 GW (Gigawatts) of conventional generation and 4.8 GW of renewable assets, wholly-owned and through its controlling ownership in NRG Yield (NYLD). The stock was a top contributor in 1Q 2017 as the company's debt and cost reduction plan exceeded expectations. In addition, activist investor Elliott Management and private-equity investor Bluescape Energy (the Executive Chairman of Bluescape is John Wilder, the former CEO of Texas Utilities, which he turned around and later sold) took an equity stake in the company. These activist investors recommended two members to the Board and laid out a plan for additional cost savings above the $500mm already achieved by existing management. However, the stock sold off in the second quarter after the company missed 1Q 2017 earnings estimates due to warmer weather and higher advisory fees related to the formation of a Business Review Committee spurred by the activists. Post the end of the current quarter, the Board of Directors accepted a 3-Year Plan presented by the Business Review Committee which entails further cost reduction, debt reduction and business simplification. We believe that this may ultimately lead to NRG becoming a takeout candidate.

Conclusion

We are cautiously optimistic for the remainder of 2017 and feel that a 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 Small-Mid Cap Value Fund. We appreciate your confidence and trust and will continue to invest alongside you as shareholders of the Fund.

Small Mid 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)

	KSMVX No Load	KSMVX Load	Russell 2500 Value
1 Year	21.76%	16.30%	18.36%
5 Year	12.96%	11.92%	13.69%
Since Inception**	7.47%	6.98%	8.01%

Expense Ratio (Gross)**	1.47%
Waiver/Expense Reimbursement**	-0.07%
Expense Ratio (Net)**	1.40%

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 (%)
Voya Financial, Inc.	2.90%	NRG Energy, Inc.	2.58%
John Bean Technologies Corporation	2.90%	BOK Financial Corporation	2.53%
UMB Financial Corporation	2.74%	Orbital ATK, Inc.	2.31%
Air Lease Corporation	2.67%	CSRA, Inc.	2.23%
Hanmi Financial Corporation	2.61%	ITT, Inc.	2.15%

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 Mid Cap 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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