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Past performance does not guarantee future results. 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.

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There are risks associated with investing in small-cap and mid-cap mutual funds, such as smaller product lines and market shares, including limited available information. The risks of investing in REITs are similar to those associated with investing in small-capitalization companies; they may have limited financial resources, may trade less frequently and in a limited volume, may be subject to more abrupt or erratic price movements than larger securities, and may be subject to changes in interest rates. Dividend paying investments may not experience the same price appreciation as non-dividend paying investments; portfolio companies may choose not to pay a dividend or it may be less than anticipated.

Risks: Smaller and medium-sized company stocks are more volatile and less liquid than larger, more established company securities. Additionally, dividend paying investments may not experience the same price appreciation as non-dividend paying investments. Portfolio companies may also choose not to pay a dividend or it may be less than anticipated.

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.

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The Disciplined Discovery of Value®

Dividend PM Roundtable

Year End, 2014 Commentary

JIM STAMPER: Hello, everyone. Thank you for joining us again, and welcome to our year end roundtable discussion to discuss the second half of 2014, and the outlook for the upcoming year. My name is Jim Stamper, and I'm Director of Client Services here at Keeley Funds. With me here today are members of our Dividend Strategies - Tom Browne, Lead Manager of our Small Cap Dividend Value and Mid Cap Dividend Value Funds; and Brian Leonard, Co-Portfolio Manager on both portfolios.

While 2014 was generally positive, the second half of the year was surrounded by a number of concerns, namely the situation with oil. I'm sure our investors would appreciate our thoughts on all of those topics. I expect the following discussion will provide you with additional color in our portfolios, and our outlook for the new year.

Gentlemen, as I mentioned, 2014 was positive, but definitely more challenging, especially for small cap stocks, and volatility clearly increased in the second half of the year. Can both of you reflect on the past year?

BRIAN LEONARD: The year was anything but boring. You start out with the polar vortex, and how it froze half the nation almost to a halt, and that impacted the markets, as well as economic indicators. You've had Ukraine and Russia conflict, which still continues today; the Ebola virus outbreak; the emergence of ISIS; the end of QE; the continued decline in Treasury yields, which probably surprised most market participants, as well as ourselves to a certain degree; and the commodity price collapse. Yet, the stock market finished the year setting record highs. Speaking of records, one that was broken in the third quarter of 2014 were the streak of consecutive positive quarterly turns in the small cap space, with the Russell 2000 Value down 8.6%. On a quarterly basis, the Russell 2000 Value index still has not seen a greater than 10% decline in over three years, with the last one being the third quarter of 2011. Furthermore, the third quarter was the second negative print in three years. That negative print was very short lived, as the market bounced right back in the fourth quarter, probably reflecting how our economy, albeit not very strong, improved throughout the year, bouncing back from, as I noted, the polar vortex, and on a relative basis to the economic world, we look pretty good, and we continue look decent on a relative basis.

TOM BROWNE: Just to add on a little bit to what Brian was talking about - I think that from our perspective, the two big drivers in the year were one, the very significant underperformance of small cap stocks relative to large cap stocks. And then secondly, the continued decline in interest rates. On the former factor, last year was the worst year of relative performance for small cap stocks since 1999, relative to large cap stocks. And really two things contributed to that. First, coming into the year, if you look at the S&P 600 Small Cap index, versus the S&P 500 Large Cap index, the S&P 600 was trading about 122% of the valuation of the S&P 500. Historically, it's a pretty wide range, but the average has been 110. At 122, you're in a territory where the 600 has really only been about 15% of the time. There's much more down side than up side. Second thing contributing to the small cap underperformance is that small cap companies disappointed, relative to large cap companies.

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Coming into the year, the S&P 600 was expected to grow its earnings by about 18%, and it ended up growing by about 8%. The S&P 500, on the other hand, was expected to grow 10%; grew about 7%. It's pretty normal for earnings expectations to deteriorate throughout the year, but the magnitude for small cap stocks was greater than normal, and for large cap stocks was about in line with normal. The second factor was interest rates. I think coming into last year, the 10 year Treasury was at 3%. People were expecting it to go higher, and in fact, it went much, much lower and continues to trade down, year to date.

JIM STAMPER: Thanks, Tom. So both of you mentioned some macro-economic factors that have impacted the markets more recently. But obviously, oil grabbed the majority of the headlines late in the year, and continues to have a strong impact on broad equity markets today. Can both of you talk about the impact of the recent crisis, and how it has impacted the funds that you manage?

TOM BROWNE: The steep drop in oil in the second half of '14 had very different impacts on the two funds that we manage. In the Small Cap Dividend Value Fund, the drop in oil actually had a huge positive impact on the portfolio. For most of 2014, we actually did not own any companies that produce oil and gas; that our investments in the energy sector were focused in service companies; we also owned a refiner and a distributor. The refiner and distributor did just fine. The service companies dropped in price, but significantly less than the average energy holding. For example, the Russell 2000 Value energy was down 41%, whereas our holdings in the energy sector were down 16% for the year. In the Mid Cap Dividend Value Fund, it was about a push. In that strategy, we own a couple companies which are low cost natural gas producers. Natural gas did not drop as much as oil in 2014, and those stocks didn't do as badly. They were still down, but the impact in the portfolio was pretty negligible from an overall standpoint.

BRIAN LEONARD: And outside of energy, there's three other sectors that were primarily impacted. Within both the small cap and mid cap was industrials, And then in mid cap, utilities were impacted by the energy exposure, mainly through two holdings, MDU Resources, and OG&E Energy.

JIM STAMPER: Thanks, Brian. We've also talked about the drop in the 10 year Treasury rate, which obviously benefited a number of the interest rate sensitive sectors, which all performed last year, especially in the second half. Is it safe to assume this was a positive for your portfolios during the year?

TOM BROWNE: Yes, Jim, it was a positive, but not as big a positive as you might think, in particularly on a relative basis. If you look at the two sectors he mentioned, utilities and REITS, they represent, together, about 20% of the Russell 2000 Value. And they were up 20, to 25, to 30% last year. And we purchased, paid fully, in fact in REITS, we actually did a bit better than the benchmark. If you look at outside those two sectors, though, non-dividend paying stocks actually did better than dividend-paying stocks. So yes, declining interest rates probably helped the portfolio a little bit, but not all that much, on a relative basis.

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And then the third thing I would mention in terms of interest rate sensitivity, is for the last year and a half, we've really been trying to reduce the interest rate sensitivity in the portfolio. With interest rates at generational lows, it seemed to us that it's more likely that rates would rise than fall. We've been wrong about that so far, but it's still a view that we're likely to hold for the longer term. Furthermore, our belief is; investors in our fund want the volatility dampening properties of dividend paying stocks, not the interest rate sensitivity. And so we've really tried to steer the fund and make it less interest rate sensitive.

BRIAN LEONARD: Tom brought up a very important point about interest rates - that we were wrong in the direction of where it ended. We thought it would more likely be up than down, but it actually ended down. The reason I point that out is within the portfolio, we emphasize a sector neutrality. We are not closet indexers, as some people would think, if you are very similar to that of the benchmark from a sector weighting. We are plus or minus 500 basis points of each economic sector. The reason for that is, you don't know what the future holds. So we had exposure to the two best performing sectors within the indexes - that would be REITS and utilities. And that's the tenet of what we do. We use a bottom up process to lead us to the best stocks, but we're not trying to be a sector rotator or a timer, because most people did not forecast or see the decline in interest rates, where they ended. So the portfolios benefited from that, due to the fact that we run a sector neutral portfolio.

JIM STAMPER: Thanks, Brian. That's a good segue to my next question about portfolio positioning. What changes, if any, have you made in the portfolios, in response to the recent volatility we've seen in the equity markets?

TOM BROWNE: . There's not been a lot of change in the portfolio, and particularly from a positioning standpoint. We don't actively position the portfolio, in terms of running big overweights in one sector, or big underweights in another sector, which if you do one, you have to do the other. And so we don't generally do that. We look more stock, by stock, by stock, and yes, the Russell was down 10% at one point in October. Individual stocks were down more than that, and there are plenty of individual stocks that are down 20, or 30, or 40%. So we use volatility to try to look at stocks that have - we thought were attractive at one point, but we couldn't get there on a valuation standpoint. Or sometimes they're down for a reason that we think is not a very good reason. So we use volatility from an individual stock standpoint. The converse, also happens, as well - that sometimes volatility works in your favor, that stocks go up more than you might think, because of volatility. And there, we've tried to trim and eliminate positions that we think move past prices that we think are reasonable for those particular holdings.

JIM STAMPER: Thanks, guys. I guess you've really just touched on my next question, but I'm probably, maybe looking for a little bit more detail. But given the environment and that volatility, has it made it a little easier to uncover some attractive opportunities, maybe from a valuation perspective. And are there any names in particular that have you excited as we head into '15?

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TOM BROWNE: On the downside, it's created some opportunities. On the upside, it's created some opportunities to sell things at prices that we didn't think we were going to get. And so, it's something we come in and do every day. There's 2,000 stocks in the Russell 2000. About 800 to 900 of them pay dividends, so there's always something to look at. Some of our fourth quarter adds, we added to Time Inc. which was a spinout last year, actually. Spinouts don't usually pay dividends; this one does. The story behind Time, it is the magazine publishing business that was spun out of Time Warner. This is a business that had five CEOs in the previous 10 years, and all their money up to the parent co, which was invested in other areas, and has historically been very under-invested in; got a new management team. We like what they're talking about doing. We like what they're doing so far. And we think that there's a pretty good runway. In the current world, content is important, and there's more of it. Differentiated content is unusual. They are People. They're Sports Illustrated. They're Time Magazine. So they have some of the best banners in magazines. Will eventually you not get magazines in the mail? Probably. But you'll still go to their websites, and read their content.

BRIAN LEONARD: As Tom mentioned, and Jim throughout this call, is that the volatility is - has picked up, especially in the beginning of the year, going into the end of last year. And volatility creates opportunities. Tom talked about Time. I'm going to talk about Alamo Group. It's a small cap company that focuses on heavy equipment for agricultural and industrial use, mainly in highway maintenance and brush clearing. They completed a very large acquisition of their competitors to enhance their market leading position in industrial snowplow. So think of highway usage, as well as airport clearing. That really solidified their position, and should improve margins nicely in their North American Industrial Division, which represents about - almost half of their sales. The company embarked on two cost cutting programs, one in the agricultural space, given the commodity price collapse in corn, as well as in soy. But their main strength lies in brush clearing, which goes into cattle, which has been pretty strong. So that should benefit going forward, given the cost reductions. And lastly, their European Division, which has been under pressure, and it takes much longer to enact cost cuts in that segment of the world, it's about 25% of sales - that should start seeing margin expansion, and those cost cuts should start to bear fruit. Finally, the company recently increased their annual dividend by 14%, which is something that we look for. We want to see dividend growers, and with a sound balance sheet, and good prospects, and I think Alamo fits that bill nicely.

JIM STAMPER: Great. Thanks, Brian. Can both of you close with what provides you with the most optimism, and conversely, what concerns you the most as we head into the new year?

BRIAN LEONARD: I'll start off. And it's kind of ironic that we're recording this call today on Ground Hog's Day, here on February 2nd. It kind of feels like that. It goes back to that cultish movie in '93 with Bill Murray and Ground Hog's Day, where you tend to repeat yourself over and over again.

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I'm not quite at the point where I want to throw a microwave, or a toaster into the bathtub, but the concerns that we've had have been the same concerns, have been out there for the last couple of years. If you look back at many of our year end calls, we talk about geopolitical strife, the ending of QE, the heightened geopolitical crisis, the slowing of the economy. It goes on and on. Those risks still are present. It's what we don't really know is going to change the market. As you listen to a lot of these calls from our competitors, they're some-what surprised by the strength of some of the defensive sectors - utilities and REITS. You just don't really know what's going to happen. And therefore, that's why we position the portfolio the way it is. So my concerns still stay as they were over the prior three years. And Tom could probably add to some of those, as he sees fit. But what gives me confidence is a) we ended our QE program, and the market hasn't really reacted negatively to that. That was something that everybody was worried about - when the Fed takes away the punchbowl, that stocks are going to crater. We ended the year at an all-time high, or close to that. So that is reassuring.

Second, our economy isn't that bad. I mean, it isn't growing as - nowhere near what people thought it should, and given the second and third quarter performance of GDP growth that was extrapolated to the fourth quarter, which was not as robust, but still in a healthy state of mind. So on a relative basis, the U.S. looks pretty good - the strong dollar with higher interest rates than most of our competitors across the world, and most of those central banks are now embarking on their own quantitative easing cycles. So that makes U.S. stocks pretty attractive, and probably where you want to be. 2015 is probably going to shape up to similar to 2014. It's not going to be a great year. It's probably not going to be a bad year. Most likely, it's going to be a positive year.

TOM BROWNE: I'll start with things that worry me, and then I'll conclude with things that are optimistic. On the worry side, it's mostly geopolitical. We're going to have a showdown over what happens in Greece in the not too distant future. Austerity is not popular, so people wanting to do austerity don't get reelected, and, they've got the government that they want there, and it'll be interesting and tense to see what comes of that. Secondly, the decline in oil prices - a lot of oil comes out of places that aren't all that stable in the best of times. And so with the revenues getting cut by half, we'll see what happens there. And then the third thing I guess I worry a little bit about, or maybe I worry more than most people about, is the strength in the dollar and what's that going to do to corporate profits in the U.S., which will face a head wind because of that. So those are the three worries.

On the optimistic side, the U.S. burns 135 billion gallons of oil a year. And so a two dollar decline in the price of oil is a quarter trillion dollars of money that was previously spent fueling cars and trucks, etc., that can be spent on other things. As Brian talked about, our economy is doing okay. The unemployment rate was down last year, car sales were up. Housing sales and prices were up - although not as much as people wanted, they were still up. So our economy's okay. And if we add another quarter trillion dollars - admittedly there are some offsets to it. That could help economic growth in the U.S., meaningfully. So throw all that together - and last year, I think I said I expected the market to be up or down 5%. I think we're looking at this similar type of year, back to Brian's Ground Hog Day analogy.

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JIM STAMPER: Thanks, Brian. Thanks, Tom. And thanks, everyone. And we appreciate you taking the time to listen to our call. Please feel free to obtain a transcript, which should be available on our website within a few days. And don't hesitate to call in if you have any specific questions on our firm, or any of our investments products. Our next call will be in the middle of 2015 to discuss the first half of the year, and our outlook for the remainder of the year. Thank you, and I hope everyone has a safe and successful remainder of the year.

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IMPORTANT DISCLOSURES REGARDING ROUNDTABLE DISCUSSION

The opinions referenced are as of the date of publication and are subject to change due to changes in the market or economic conditions and may not necessarily come to pass. Information contained herein is for informational purposes only and should not be considered investment advice.

The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. It is an unmanaged index that measures the performance of the bottom 2,000 companies (based on market capitalization) in the Russell 3000 Index, an index representing approximately 98% of the U.S. equity market.

The Russell 2000 Value Index measures the performance of small-cap value segment of the U.S. equity universe. It is an unmanaged index that measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth rates.

The Russell Midcap Value Index measures the performance of the mid-cap value segment of the U.S. equity universe. It is an unmanaged index that measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth rates.

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.

MAIN RISKS – KEELEY Small Cap Dividend Value Fund

The Fund is subject to the typical risks of equity investing, including loss of money, company-specific risks, the effects of interest rate fluctuations, investor psychology and other factors. The Fund's method of security selection may not be successful and the Fund may underperform the stock market as a whole. Investing in small-cap securities presents more risk than investing in large-cap or more established company securities. The value of your investment will increase or decrease so your shares may be worth more or less money than your original investment.

Any repeal or failure to extend the current federal tax treatment of qualified dividend income could make dividend-paying securities less appealing to investors and could have a negative impact on the performance of the Fund. The companies held by the Fund may reduce or stop paying dividends, which may affect the Fund's ability to generate income. Also, the securities of dividend-paying companies may not experience the same price appreciation as those of non-dividend-paying companies. The Adviser's approach in selecting dividend-paying securities may go out of favor with investors. This may cause the Fund to underperform relative to other mutual funds that do not emphasize dividend-paying stocks.

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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 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, 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, 2016. The Fund has had an expense agreement in place with the advisor since its inception. Had the expense agreement not been in place, the Fund's performance quoted herein would have been lower

KSDVX - Top Ten Holdings as of 12/31/2014[1] - % of Net Assets
Glacier Bancorp, Inc. 1.97%
BancorpSouth, Inc. 1.95%
CST Brands, Inc. 1.92%
Stag Industrial, Inc. 1.86%
FBL Financial, Inc. 1.84%
Ryman Hospitality Properties, Inc. 1.82%
Wintrust Financial Corp. 1.81%
Columbia Banking System, Inc. 1.70%
Primoris Services Corp. 1.69%
Education Realty Trust, Inc. 1.67%

Total % of portfolio: 18.23%

AVERAGE ANNUAL TOTAL RETURNS (as of 12/31/2014)

	KSDVX No Load	KSDVX Load	Russell 2000 Value
1 Year	4.91%	0.18%	4.22%
5 Year	16.33%	15.27%	14.26%
Since Inception**	16.68%	15.63%	15.32%

Expense Ratio (Gross)**	1.43%
Waiver/Expense Reimbursement**	-0.14%
Expense Ratio (Net)**	1.29%

KSDVX's inception date is 12/01/2009

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

MAIN RISKS – KEELEY Mid Cap Dividend Value Fund

The Fund is subject to the typical risks of equity investing, including loss of money, company-specific risks, the effects of interest rate fluctuations, investor psychology and other factors. The Fund's method of security selection may not be successful and the Fund may underperform the stock market as a whole. Investing in small-cap securities presents more risk than investing in large-cap or more established company securities. The value of your investment will increase or decrease so your shares may be worth more or less money than your original investment.

Any repeal or failure to extend the current federal tax treatment of qualified dividend income could make dividend-paying securities less appealing to investors and could have a negative impact on the performance of the Fund. The companies held by the Fund may reduce or stop paying dividends, which may affect the Fund's ability to generate income. Also, the securities of dividend-paying companies may not experience the same price appreciation as those of non-dividend-paying companies. The Adviser's approach in selecting dividend-paying securities may go out of favor with investors. This may cause the Fund to underperform relative to other mutual funds that do not emphasize dividend-paying stocks.

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KMDVX - Top Ten Holdings as of 12/31/2014[1] - % of Net Assets
Avago Technologies Ltd.2.62%
Broadridge Financial Solutions, Inc. 2.46%
CIGNA Corp. 2.36%
Lincoln National Corp. 2.17%
ITT Corp. 2.13%
Iron Mountain, Inc. 2.11%
American Water Works Co, Inc. 1.97%
Ameriprise Financial, Inc. 1.91%
Ryder Systems, Inc. 1.78%
CIT Group, Inc. 1.77%

Total % of portfolio: 21.28%

AVERAGE ANNUAL TOTAL RETURNS (as of 12/31/2014)

	KMDVX No Load	KMDVX Load	Russell Mid Cap Value
1 Year	11.00%	5.98%	14.75%
Since Inception**	22.94%	21.21%	26.47%

Expense Ratio (Gross)**	1.59%
Waiver/Expense Reimbursement**	-0.30%
Expense Ratio (Net)**	1.29%

KMDVX's inception date is 10/01/2011

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

[1]Portfolio holdings will change, and should not be considered purchase recommendations. Top holdings do not reflect cash, money markets or options/futures contracts holdings.

The Fund's Class A shares with load are subject to a maximum sales fee (load) of 4.50%.

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