



**KEELEY**  
*Funds*

The Disciplined  
Discovery of Value<sup>®</sup>

# Annual Report

September 30, 2016

## **KEELEY Small Cap Value Fund**

Class (A) Shares: KSCVX

Class (I) Shares: KSCIX

## **KEELEY Small Cap Dividend Value Fund**

Class (A) Shares: KSDVX

Class (I) Shares: KSDIX

## **KEELEY Small-Mid Cap Value Fund**

Class (A) Shares: KSMVX

Class (I) Shares: KSMIX

## **KEELEY Mid Cap Dividend Value Fund**

Class (A) Shares: KMDVX

Class (I) Shares: KMDIX

## **KEELEY All Cap Value Fund**

Class (A) Shares: KACVX

Class (I) Shares: KACIX

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## MANAGER COMMENTARY

### KEELEY Small Cap Value Fund (KSCVX - KSCIX)

For the quarter ending September 30, 2016, the KEELEY Small Cap Value Fund (KSCVX) increased 7.13 percent compared to an 8.87 percent increase for the Russell 2000 Value Index and a 9.05 percent increase in the Russell 2000 Index. Over the fiscal year ended September 30, 2016, the Fund increased 10.09 percent compared to an 18.81 percent increase for the Russell 2000 Value Index and a 15.47 percent increase in the Russell 2000 Index.

During the fiscal year, the Fund weathered moderate bouts of volatility fueled by both macroeconomic factors and stock-specific fundamentals. As 2015 came to an end, U.S. markets responded to the Federal Reserve's (Fed) first interest rate hike in nearly a decade – triggering a substantial uptick in volatility into mid-January. Globally, the U.S. dollar continued to strengthen against major currencies, pressuring earnings for companies with international business. Commodity prices also declined, owing to the precipitous drop in crude oil prices plus concerns over growth in China. While employment figures improved, GDP stumbled. The outlook for U.S. stocks, particularly small caps, looked rather ominous as 2016 began.

This short-term selloff was quick lived. The Fed recognized its rate hike consequences and telegraphed a cautious approach for any 2016 increases. Risk-seeking market participants aggressively took advantage of the buying atmosphere. The elevated U.S. dollar began to show signs of weakening versus other major currencies, and energy-related commodities began climbing from their February depths. U.S. stock market investors went into full-blown 'risk-on' mode and markets responded accordingly.

For the year ending September 30, 2016, the Fund's underperformance versus the Russell 2000 Value Index was primarily attributed to weak stock selection in a number of sectors that performed well over the course of the year. Of the eleven economic sectors, the Russell 2000 Value Index's Energy exposure was the lone detractor. All the other sectors were up between 3 percent (Consumer Discretionary) and nearly 50 percent (Materials). During this time span, stock selection in Financials, Technology, Consumer Staples, Materials and Real Estate sectors hurt the Fund's relative performance. In terms of the Fund's sector weights, the underperforming Consumer Discretionary sector was the leading detractor, due to the Fund's significant overweight. In addition, underweights in Real Estate, Technology and Utilities hurt relative performance over this period.

The primary contributor to the Fund during the year was a significant overweight to Industrials, as well as strong stock selection in that sector. Despite a fairly small allocation to the struggling Energy sector, the Fund's positions in that sector performed well. Given our generally negative attitude regarding Energy over the past 18 months, we were pleased to see strong, relative outperformance.

In terms of positioning, our outlook remains positive on Consumer Discretionary, Industrials and Materials, which represent the Fund's largest overweight positions versus the Russell 2000 Value Index. The Fund's most significant underweight is in Financials.

Though a lot of investors' focus seems to be with the Fed's next move and presidential election results, we are pleased to see a number of our holdings driven by company-specific fundamentals rather than macroeconomic factors. However, we do seem to be in a mean-reversion type environment. A stock that performs well in one quarter may be the bottom performer the next, or value and growth stocks might alternate in performance from quarter to quarter. Over the long term, we believe our value approach to investing in under-followed and under-appreciated stocks undergoing major changes portends an attractive return profile. As a company moves forward in its restructuring plan or identifies a catalyst, many investors move in too late to capture the upside. Our objective is to capture these moves well ahead of other investors. Indeed, many of our positions are not covered by Wall Street analysts until they have already risen.

In the past few months, we've seen a lot of companies putting their cash to work by announcing mergers and acquisitions or spinning-off divisions. With the potential for rising rates, we believe that companies may be in a hurry to finalize deals before rates go up. As the companies within the Fund's portfolio improve their operations as a result of restructuring activities, they often become more attractive acquisition candidates. For the fiscal year, approximately ten percent of the positions in the Fund's portfolio were acquired. Given the Fund's value-style investment philosophy, we believe that this type of environment speaks well to the long-term prospects for the Fund.

Sincerely,



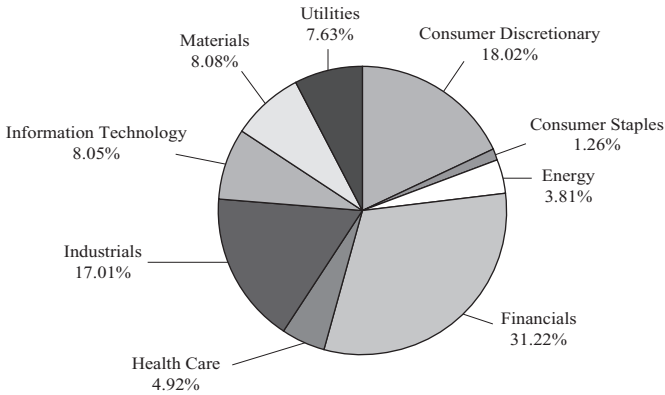
Kevin M. Chin  
Chief Investment Officer, Portfolio Manager



Brian R. Keeley  
Portfolio Manager

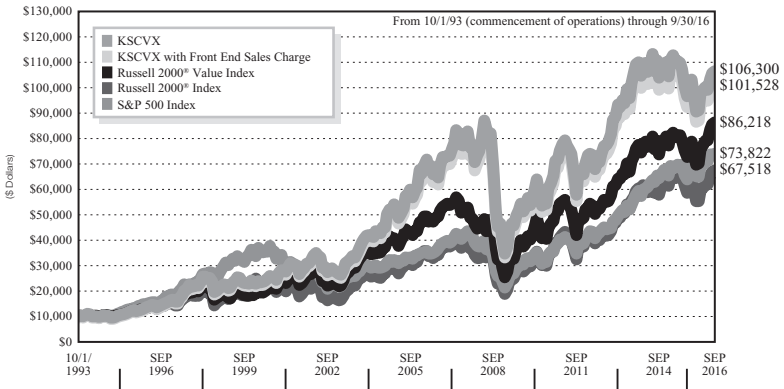
*The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Average annual total return measures annualized change, while total return measures aggregate change.*

**Investments by Sector  
As a Percentage of Investments  
As of 9/30/2016  
(Unaudited) \***



**Index Comparison**

**Comparison of a Hypothetical \$10,000 Investment  
Keeley Small Cap Value Fund - Class A, Russell 2000® Index <sup>(3)</sup>, Russell 2000® Value Index \*\*  
and S&P 500 Index\*\*\*  
(Unaudited)**



Average annual total returns \*\*\*\*  
For the periods ended September 30, 2016

	1-Year	5-Years	10-Years	Since Commencement of Operations <sup>(1)</sup>
Keeley Small Cap Value Fund				
Class A	10.09%	12.95%	5.10%	10.82%
Class A (includes max 4 1/2% front-end load)	5.15%	11.91%	4.61%	10.60%
Class I	10.39%	13.24%	N/A	3.93%
Russell 2000® Value Index	18.81%	15.45%	5.78%	9.82% <sup>(2)</sup>
Russell 2000® Index	15.47%	15.82%	7.07%	8.66% <sup>(2)</sup>
S&P 500 Index	15.43%	16.37%	7.24%	9.08% <sup>(2)</sup>

- (1) Inception date is October 1, 1993 for Class A Shares and December 31, 2007 for Class I Shares.
- (2) The Since Commencement of Operations returns shown are from the commencement date of Keeley Small Cap Value Fund - Class A. The returns for the Russell 2000® Value Index, Russell 2000® Index and S&P 500 Index since the commencement date of the Keeley Small Cap Value Fund - Class I are 6.83%, 7.27% and 6.86%, respectively.
- (3) Effective January 28, 2016, the Fund changed its benchmark index from the Russell 2000® Index to the Russell 2000® Value Index, because management believes that the Russell 2000® Value Index more accurately represents the Fund's "value style" of investing. The chart above shows the returns of both the Russell 2000® Index and the Russell 2000® Value Index. Going forward, the chart will no longer show the returns of the Russell 2000® Index.
- \* Excludes short-term investments and any investments purchased with cash collateral from securities lending.
- \*\* The Russell 2000® Value Index measures the performance of those Russell 2000® Index companies with lower price-to-book ratios and lower forecasted growth values. These figures do not reflect any deduction for fees, expenses or taxes, and are not available for investment.
- \*\*\* The S&P 500 Index measures the performance of five hundred stocks chosen for market size, liquidity, and industry group representation. These figures do not reflect any deduction for fees, expenses or taxes, and are not available for investment.
- \*\*\*\* Performance data quoted represents past performance, which is not predictive of future performance. The investment return and principal value of shares will fluctuate and when redeemed, may be worth more or less than their original cost. Returns shown include the reinvestment of all dividends. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of shares. Returns shown reflect the effect of the Adviser's fee waiver agreement for the Fund. If such fee waivers had not occurred, the quoted performance would be lower.

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## MANAGER COMMENTARY

### KEELEY Small Cap Dividend Value Fund (KSDVX - KSDIX)

For the fiscal year ending September 30, 2016, the KEELEY Small Cap Dividend Value Fund (KSDVX) increased 16.4 percent compared to an 18.9 percent increase for the Russell 2000 Value Index.

As 2015 came to an end, U.S. markets responded to the Federal Reserve's first interest rate hike in nearly a decade – triggering a substantial uptick in volatility through mid-January. This short-term selloff was short lived as risk-seeking market participants aggressively took advantage of the buying atmosphere. Additionally, it appeared that the Fed recognized its rate hike consequences and telegraphed a cautious approach for any additional 2016 increases. The elevated U.S. dollar began to show signs of weakening versus other major currencies, while energy-related commodities began climbing from their February depths. As a result, U.S. stock market investors went into full-blown 'risk-on' mode and markets responded accordingly.

We are slightly disappointed with the Fund's performance over the last twelve months. On one hand, the Fund performed well in periods where the market was down. During January and February, the Fund declined less than its benchmark. Also, in the brief drop in the market after the Brexit vote in late June, the Fund held up better. During the bounces that followed however, the Fund lagged. The dividend component of our strategy often holds the Fund back when strong market environments ensue. We believe the defensive characteristics create a positive risk/reward trade-off for investors, but admit that is hard to appreciate in a year where the market is up almost 19 percent.

For the year, Energy was the only one of the eleven sectors in the Russell 2000 Value Index to produce a negative return. The other sectors ranged in total return from 3 percent in Consumer Discretionary to nearly 50 percent in Materials. The Fund's Energy holding was the only sector with negative performance over this period.

Because the Fund is generally allocated similarly to the sector weights of the Russell 2000 Value index, differences in sector weights do not have a large impact on performance. In the latest fiscal year, three weighting decisions had small impacts. The Fund held a small overweight to the Consumer Discretionary sector. Because that sector lagged the overall index, that allocation detracted. In addition, the Fund was slightly underweight Technology which outperformed, again slightly detracting from performance. On the positive side of the ledger, the Fund was slightly underweight the Energy sector which helped performance. Finally, cash holdings detracted slightly.

From a stock selection standpoint, two sectors accounted for the great majority of the Fund's relative underperformance in the past year; Materials and Information Technology. Partially offsetting these detractors was very strong performance by the Fund's holdings in the new Real Estate sector.

- In Materials, the Fund's holdings lagged the very strong performance of the sector in part due to what the Fund held and in part due to what it did not hold.



Some of the Fund's holdings appreciated only slightly while the sector had a strong move. The sector move was led by the more commoditized parts of the materials sector including steel, gold, and commodity chemicals. We generally prefer less commoditized areas of the Materials sector in the Fund because we believe it is difficult for smaller companies to gain the cost advantages needed to compete in commodity markets.

- In Information Technology, the Fund's holdings did not keep up with the strong move in technology stocks. A couple of our holdings struggled to meet expectations and therefore did not see much appreciation.
- In Real Estate, the Fund's mix of non-traditional REITs and special situations delivered better average returns than the strong sector.

Outside of these three sectors we added some value in both Consumer sectors (Discretionary and Staples) as well as Industrials, but lost ground in Energy, Health Care, and Financials.

As we look forward, the focus near-term will shift to the Presidential transition and the Fed's next move, both of which could potentially move the market as well as increase volatility. With that said, we believe our value approach and its focus on dividend-paying value stocks should generate an attractive risk-return profile that helps mitigate market volatility.

Sincerely,



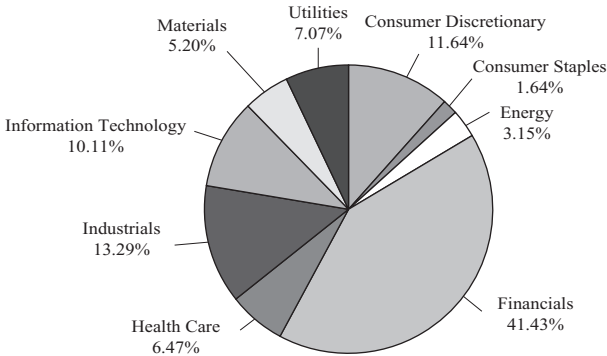
Thomas E. Browne, Jr.  
Lead Portfolio Manager



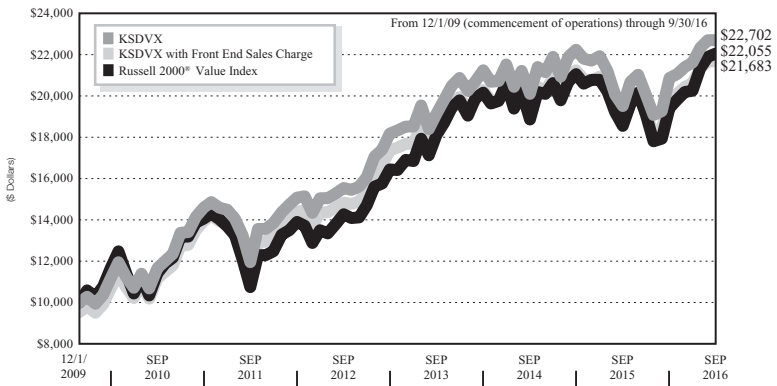
Brian P. Leonard  
Portfolio Manager

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**Investments by Sector  
As a Percentage of Investments  
As of 9/30/2016  
(Unaudited) \***



**Index Comparison  
Comparison of a Hypothetical \$10,000 Investment  
Keeley Small Cap Dividend Value Fund - Class A and Russell 2000® Value Index \*\*  
(Unaudited)**



**Average annual total returns \*\*\*  
For the periods ended September 30, 2016**

	<u>1-Year</u>	<u>3-Years</u>	<u>5-Years</u>	<u>Since Commencement of Operations <sup>(1)</sup></u>
Keeley Small Cap Dividend Value Fund				
Class A	16.40%	5.83%	13.66%	12.75%
Class A (includes max 4 1/2% front-end load)	11.14%	4.22%	12.61%	12.00%
Class I	16.68%	6.10%	13.94%	13.03%
Russell 2000® Value Index	18.81%	6.77%	15.45%	12.28%

<sup>(1)</sup> Inception date for both classes is December 1, 2009.

\* Excludes short-term investments and any investments purchased with cash collateral from securities lending.

\*\* The Russell 2000® Value Index measures the performance of those Russell 2000® Index companies with lower prices-to-book ratios and lower forecasted growth values. These figures do not reflect any deductions for fees, expenses or taxes, and are not available for investment.

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## MANAGER COMMENTARY

### KEELEY Small-Mid Cap Value Fund (KSMVX - KSMIX)

For the quarter ending September 30, 2016, the KEELEY Small-Mid Cap Value Fund (KSMVX) increased 7.15 percent compared to a 6.18 percent increase for the Russell 2500 Value Index. Over the fiscal year ended September 30, 2016, the Fund increased 11.28 percent compared to a 17.68 percent increase for the Russell 2500 Value Index.

During the fiscal year, the Fund weathered moderate bouts of volatility fueled by both macroeconomic factors and stock-specific fundamentals. As 2015 came to an end, U.S. markets responded to the Federal Reserve's (Fed) first interest rate hike in nearly a decade – triggering a substantial uptick in volatility into mid-January. Globally, the U.S. dollar continued to strengthen against major currencies, pressuring earnings for companies with international business. Commodity prices also declined, owing to the precipitous drop in crude oil prices plus concerns over growth in China. While employment figures improved, GDP stumbled. The outlook for U.S. stocks, particularly small caps, looked rather ominous as 2016 began.

This short-term selloff was quick lived. The Fed recognized its rate hike consequences and telegraphed a cautious approach for any 2016 increases. Risk-seeking market participants aggressively took advantage of the buying atmosphere. The elevated U.S. dollar began to show signs of weakening versus other major currencies, and energy-related commodities began climbing from their February depths. U.S. stock market investors went into full-blown 'risk-on' mode and markets responded accordingly.

For the year ending September 30, 2016, all eleven sectors in the Russell 2500 Value Index recorded positive gains, from just over 3 percent (Consumer Discretionary) to nearly 35 percent (Materials). Over this time span, the majority of the Fund's relative underperformance to the index came from poor stock selection in a handful of sectors, most notably Financials and Technology, but also in Materials and Consumer Staples. Another major headwind over this period was the Fund's significant overweight in the lagging Consumer Discretionary sector.

The Fund benefited from a significant overweight and strong stock selection in Industrials over the past year; it was the Fund's leading contributor. Despite a small allocation to Health Care, the Fund's positions in that sector significantly outperformed the benchmark's positions, serving as another strong contributor to the Fund's performance. Additionally, the Fund's underweight in Energy contributed to positive performance.

In terms of positioning, our outlook remains positive on Consumer Discretionary, Industrials and Materials, which represent the Fund's largest overweight positions versus the Russell 2500 Value Index. The Fund's most significant underweight is in Financials, followed by Energy.

Though a lot of investors' focus seems to be with the Fed's next move and presidential election results, we are pleased to see a number of our holdings being driven by company-specific fundamentals rather than macroeconomic factors. However, we do seem to be in a mean-reversion type environment. A stock that

performs well in one quarter may be the bottom performer the next, or value and growth stocks might alternate in performance from quarter to quarter. Over the long term, we believe our value approach in investing in under-followed and under-appreciated stocks undergoing major changes portends an attractive return profile. As a company moves forward in its restructuring plan or identifies a catalyst, many investors move in too late to capture the upside. Our objective is to capture these moves well ahead of other investors. Indeed, many of our positions are not covered by Wall Street analysts until they have already risen.

In the past few months, we've seen a lot of companies putting their cash to work by announcing mergers and acquisitions or spinning off divisions. With the potential for rising rates, we believe that companies may be in a hurry to finalize deals before rates go up. As the companies within the Fund's portfolio improve their operations as a result of restructuring activities, they often become more attractive acquisition candidates. For the fiscal year, approximately ten percent of the positions in the Fund's portfolio were acquired. Given the Fund's value-style investment philosophy, we believe that this type of environment speaks well to the long-term prospects for the Fund.

Sincerely,



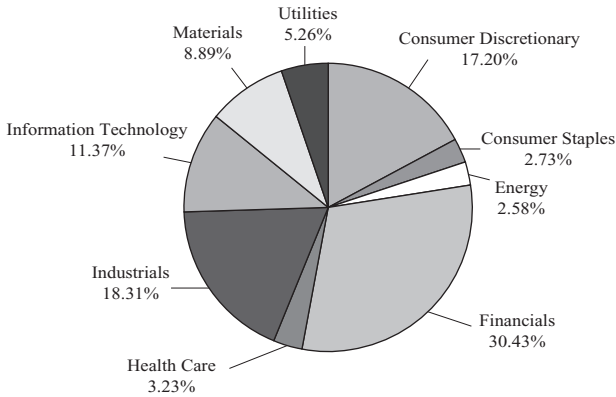
Kevin M. Chin  
Chief Investment Officer, Portfolio Manager



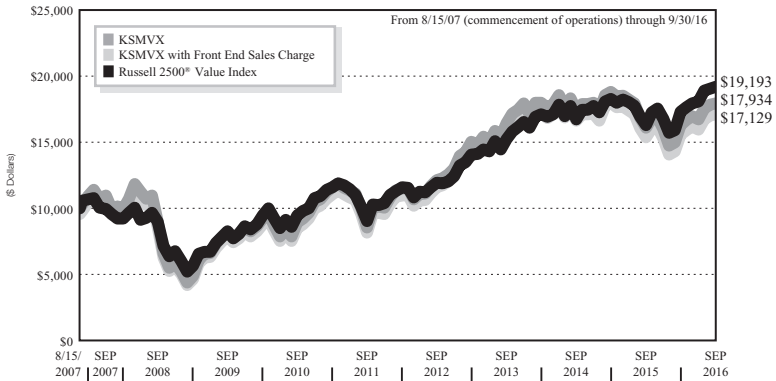
Brian R. Keeley  
Portfolio Manager

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**Investments by Sector  
As a Percentage of Investments  
As of 9/30/2016  
(Unaudited) \***



**Index Comparison  
Comparison of a Hypothetical \$10,000 Investment  
Keeley Small-Mid Cap Value Fund - Class A and Russell 2500® Value Index \*\*  
(Unaudited)**



**Average annual total returns \*\*\*  
For the periods ended September 30, 2016**

	<u>1-Year</u>	<u>3-Years</u>	<u>5-Years</u>	<u>Since Commencement of Operations (1)</u>
Keeley Small-Mid Cap Value Fund				
Class A	11.28%	2.94%	15.97%	6.61%
Class A (includes max 4 1/2% front-end load)	6.29%	1.38%	14.91%	6.07%
Class I	11.59%	3.20%	16.25%	6.88%
Russell 2500® Value Index	17.68%	8.05%	16.29%	7.41%

(1) Inception date for both classes is August 15, 2007.

\* Excludes short-term investments and any investments purchased with cash collateral from securities lending.

\*\* The Russell 2500® Value Index measures the performance of those Russell 2500® Index companies with lower price-to-book ratios and lower forecasted growth values. The stocks in this index are also members of either the Russell 1000® Value or the Russell 2000® Value Indexes. These figures do not reflect any deductions for fees, expenses or taxes, and are not available for investment.

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## MANAGER COMMENTARY

### KEELEY Mid Cap Dividend Value Fund (KMDVX - KMDIX)

For the fiscal year ended September 30, 2016, the Fund increased 16.9 percent compared to a 17.3 percent increase for the Russell Midcap Value Index.

As 2015 came to an end, U.S. markets responded to the Federal Reserve's first interest rate hike in nearly a decade – triggering a substantial uptick in volatility into mid-January. This short-term selloff was short lived as risk-seeking market participants aggressively took advantage of the buying atmosphere. Additionally, it appeared that the Fed recognized its rate hike consequences and telegraphed a cautious approach for any additional 2016 increases. The elevated U.S. dollar began to show signs of weakening versus other major currencies while energy-related commodities began climbing from their February depths. As a result, U.S. stock market investors went into full-blown 'risk-on' mode and markets responded accordingly.

For the year ending September 30, 2016, all eleven sectors in both the Fund and the Russell Midcap Value Index generated positive performance. Interestingly, the strongest sectors were Information Technology, Materials, and Industrials; all cyclical sectors. The worst performing sectors were Consumer Discretionary, Health Care, and Financials; cyclical, anti-cyclical, and middle of road sectors. Despite a perceived slowing in the economy, the cyclicals ultimately carried the day!

Because we manage the Fund with a generally sector neutral bias, sector allocation does not have a great influence on the Fund's relative performance. In the past year, three sector allocation differences had small impacts on Fund performance. A slight overweight in Technology helped performance, a slight underweight in Energy also added value while a slight underweight in Consumer Staples hurt returns. The biggest impact on performance was actually the Fund's small cash holdings (about 4% on average) which detracted.

From a stock selection standpoint, four sectors had significant impacts; Real Estate, Utilities, Energy, and Industrials.

- The Fund's holdings in Real Estate significantly outperformed the Real Estate sector. Our bias toward seeking out non-traditional REITs or unusual situations paid off in a year where the sector itself performed well.
- In Utilities, the Fund's energy-centric utilities drove above sector returns.
- Energy holdings in the Fund lagged the returns of the sector within the index. Our holdings in a refining company hurt performance even as the sector rallied on rising crude prices.
- Most of the Fund's Industrial holdings performed well, but a couple lagged due to disappointing trends which lowered their earnings outlooks.

Outside of these four sectors, Information Technology and Health Care were slightly additive to relative returns, while Consumer Discretionary was a modest detractor.

Another factor helping the Fund over the last year was a pick-up in mergers and acquisitions. Four of the Fund's holdings were acquired, another is in process, and



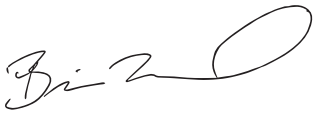
two companies made transformative acquisitions which significantly boosted their share prices.

As we look forward, the focus near-term will shift to the Presidential transition and the Fed's next move, both of which could potentially move the market as well as increase volatility. With that said, we believe our value approach and its focus on dividend-paying value stocks should generate an attractive risk-return profile that helps mitigate market volatility.

Sincerely,



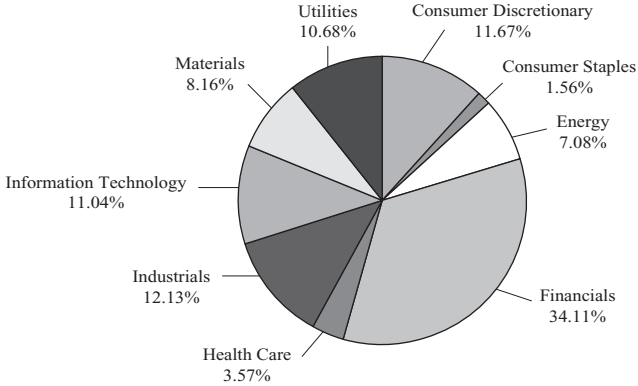
Thomas E. Browne, Jr.  
Lead Portfolio Manager



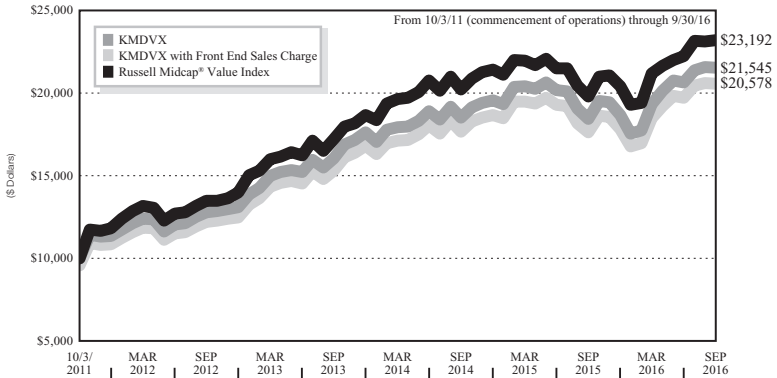
Brian P. Leonard  
Portfolio Manager

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**Investments by Sector  
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**Index Comparison  
Comparison of a Hypothetical \$10,000 Investment  
Keeley Mid Cap Dividend Value Fund - Class A and Russell Midcap® Value Index \*\*  
(Unaudited)**



Average annual total returns \*\*\*  
For the periods ended September 30, 2016

	1-Year	3-Years	Since Commencement of Operations <sup>(1)</sup>
Keeley Mid Cap Dividend Value Fund			
Class A	16.90%	10.36%	16.61%
Class A (includes max 4 1/2% front-end load)	11.66%	8.69%	15.54%
Class I	17.18%	10.63%	16.89%
Russell Midcap® Value Index	17.26%	10.49%	18.34%

<sup>(1)</sup> Inception date for both classes is October 3, 2011.

\* Excludes short-term investments and any investments purchased with cash collateral from securities lending.

\*\* The Russell Midcap® Value Index is an unmanaged index of common stock prices that measures the performance of those Russell Midcap® companies with lower price-to-book ratios and lower forecasted growth values. These figures do not reflect any deduction for fees, expenses or taxes, and are not available for investment.

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## MANAGER COMMENTARY

### KEELEY All Cap Value Fund (KACVX - KACIX)

For the quarter ending September 30, 2016, the KEELEY All Cap Value Fund (KACVX) increased 6.06 percent compared to a 3.87 percent increase for the Russell 3000 Value Index. Over the fiscal year ended September 30, 2016, the Fund increased 12.21 percent compared to a 16.38 percent increase for the Russell 3000 Value Index.

During the fiscal year, the Fund weathered moderate bouts of volatility fueled by both macroeconomic factors and stock-specific fundamentals. As 2015 came to an end, U.S. markets responded to the Federal Reserve's (Fed) first interest rate hike in nearly a decade – triggering a substantial uptick in volatility into mid-January. Globally, the U.S. dollar continued to strengthen against major currencies, pressuring earnings for companies with international business. Commodity prices also declined, owing to the precipitous drop in crude oil prices plus concerns over growth in China. While employment figures improved, GDP stumbled. The outlook for U.S. stocks, particularly small caps, looked rather ominous as 2016 began.

This short-term selloff was quick lived. The Fed recognized its rate hike consequences and telegraphed a cautious approach for any 2016 increases. Risk-seeking market participants aggressively took advantage of the buying atmosphere. The elevated U.S. dollar began to show signs of weakening versus other major currencies, and energy-related commodities began climbing from their February depths. U.S. stock market investors went into full-blown 'risk-on' mode and markets responded accordingly.

For the year ending September 30, 2016, the majority of the Fund's relative underperformance against the Russell 3000 Value Index was attributed primarily to the Fund's sector allocations and stock selection in a number of strong performing sectors. For the fiscal year, all sectors in the Russell 3000 Value Index notched positive gains, ranging from 4.7 percent (Consumer Discretionary) to just over 32 percent (Materials). Within the Fund, only the Industrials sector was down over this timeframe, and weak stock selection and an underweight made it the leading detractor.

Stock selection in Technology and Materials, as well as a significant overweight in the lagging Consumer Discretionary sector, also hurt performance over the past year. In addition, weak stock selection in Energy and Real Estate hurt performance.

The Fund's leading contributors over this time span were Financials and Utilities, which held relatively neutral weights with the Russell 3000 Value Index. The Fund's Financials holdings outperformed that benchmark index's exposure by 4.5 percent, and the Fund's Utilities positions outperformed the benchmark by 12.3 percent. In addition, the Fund's significant overweight in Health Care, as well as an underweight and positive stock selection in Consumer Staples delivered positive contributions.

In terms of positioning, our outlook remains positive on Consumer Discretionary, Real Estate and Health Care, which represent the Fund's largest overweight positions versus the Russell 3000 Value Index. The Fund's most significant underweight is in Financials, followed by Energy and Industrials.

Though a lot of investors' focus seems to be with the Fed's next move and presidential election results, we are pleased to see a number of our holdings being driven by company-specific fundamentals rather than macroeconomic factors. However, we do seem to be in a mean-reversion type environment. A stock that performs well in one quarter may be the bottom performer the next, or value and growth stocks might alternate in performance from quarter to quarter. Over the long term, we believe our value approach to investing in under-followed and under-appreciated stocks undergoing major changes portends an attractive return profile. As a company moves forward in its restructuring plan or identifies a catalyst, many investors move in too late to capture the upside. Our objective is to capture these moves well ahead of other investors. Indeed, many of our positions are not covered by Wall Street analysts until they have already risen.

In the past few months, we've seen a lot of companies putting their cash to work by announcing mergers and acquisitions or spinning off divisions. With the potential for rising rates, we believe that companies may be in a hurry to finalize deals before rates go up. Given the Fund's value-style investment philosophy, we believe that this type of environment speaks well to the long-term prospects for the Fund.

Sincerely,



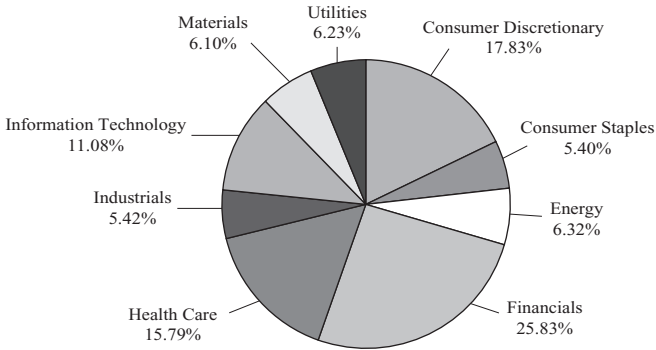
Edwin C. Ciskowski  
Lead Portfolio Manager



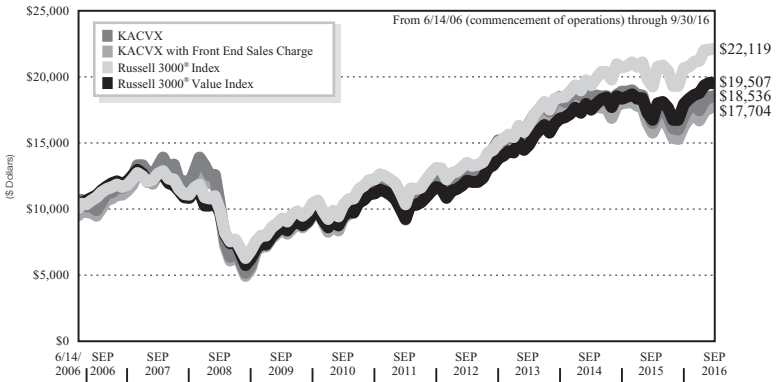
Brian R. Keeley  
Portfolio Manager

*The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Average annual total return measures annualized change, while total return measures aggregate change.*

**Investments by Sector  
As a Percentage of Investments  
As of 9/30/2016  
(Unaudited) \***



**Index Comparison  
Comparison of a Hypothetical \$10,000 Investment  
Keeley All Cap Value Fund - Class A, Russell 3000® Value Index \*\* and Russell 3000® Index\*\*\*  
(Unaudited)**



Average annual total returns \*\*\*\*  
For the periods ended September 30, 2016

	<u>1-Year</u>	<u>5-Years</u>	<u>10-Years</u>	<u>Since Commencement of Operations (1)</u>
Keeley All Cap Value Fund				
Class A	12.21%	14.03%	6.44%	6.18%
Class A (includes max 4 1/2% front-end load)	7.18%	12.99%	5.95%	5.70%
Class I	12.45%	14.33%	N/A	4.09%
Russell 3000® Value Index	16.38%	16.09%	5.84%	6.71% (2)
Russell 3000® Index	14.96%	16.36%	7.37%	8.02% (2)

- (1) Inception date is June 14, 2006 for Class A Shares and December 31, 2007 for Class I Shares.
- (2) The Since Commencement of Operations return shown is from the commencement date of the Keeley All Cap Value Fund - Class A. The returns for the Russell 3000<sup>®</sup> Value Index and the Russell 3000<sup>®</sup> Index since the commencement date of the Keeley All Cap Value Fund - Class I are 5.88% and 7.00% respectively.
- \* Excludes short-term investments and any investments purchased with cash collateral from securities lending.
- \*\* The Russell 3000<sup>®</sup> Value Index measures the performance of those Russell 3000<sup>®</sup> Index companies with lower price-to-book ratios and lower forecasted growth values. The stocks in this index also are members of either the Russell 1000<sup>®</sup> Value or the Russell 2000<sup>®</sup> Value indexes. These figures do not reflect any deduction for fees, expenses or taxes, and are not available for investment.
- \*\*\* The Russell 3000<sup>®</sup> Index measures the performance of the 3,000 largest U.S. traded stocks, in which the underlying companies are all incorporated in the U.S. These figures do not reflect any deduction for fees, expenses or taxes, and are not available for investment.
- \*\*\*\* Performance data quoted represents past performance, which is not predictive of future performance. The investment return and principal value of shares will fluctuate and when redeemed, may be worth more or less than their original cost. Returns shown include the reinvestment of all dividends. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of shares. Returns shown reflect the effect of the Adviser's fee waiver agreement for the Fund. If such fee waivers had not occurred, the quoted performance would be lower.

**KEELEY Funds, Inc.**  
**Expense Example**  
**For the Six Month Period Ended September 30, 2016**  
**(Unaudited)**

As a shareholder of the Funds, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments; and (2) ongoing costs, including management fees, distribution (12b-1) fees, and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from April 1, 2016 to September 30, 2016 (the "period") for the Small Cap Value Fund, the Small Cap Dividend Value Fund, the Small-Mid Cap Value Fund, the Mid Cap Dividend Value Fund, and the All Cap Value Fund.

**Actual Expenses**

The table below provides information about actual account values and actual expenses. You may use the information in this table, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 equals 8.6), then multiply the result by the number in the applicable line under the heading entitled "Expenses Paid During the Period" to estimate the expenses you paid on your account during the period.

	<b>CLASS A</b>			
	<u>Beginning account value</u>	<u>Ending account value</u>	<u>Annual Expense Ratio **</u>	<u>Expenses Paid During the Period *</u>
Small Cap Value Fund	\$1,000.00	\$1,083.90	1.40%	\$7.29
Small Cap Dividend Value Fund	1,000.00	1,087.60	1.30%	6.78
Small-Mid Cap Value Fund	1,000.00	1,100.40	1.40%	7.35
Mid Cap Dividend Value Fund	1,000.00	1,114.50	1.29%	6.82
All Cap Value Fund	1,000.00	1,084.70	1.41%	7.35

	<b>CLASS I</b>			
	<u>Beginning account value</u>	<u>Ending account value</u>	<u>Annual Expense Ratio **</u>	<u>Expenses Paid During the Period *</u>
Small Cap Value Fund	\$1,000.00	\$1,085.10	1.15%	\$5.99
Small Cap Dividend Value Fund	1,000.00	1,088.90	1.05%	5.48
Small-Mid Cap Value Fund	1,000.00	1,102.00	1.15%	6.04
Mid Cap Dividend Value Fund	1,000.00	1,115.30	1.04%	5.50
All Cap Value Fund	1,000.00	1,085.40	1.16%	6.05

\* Expenses are equal to the Funds' expense ratio for the six-month period, multiplied by the average account value over the period, multiplied by 183/366 for the Funds (to reflect the one-half year period).

\*\* Includes interest, where applicable.



**KEELEY Funds, Inc.**  
**Expense Example (Continued)**  
**For the Six Month Period Ended September 30, 2016**  
**(Unaudited)**

**Hypothetical Example for Comparison Purposes**

The table below provides information about hypothetical account values and hypothetical expenses based on the Funds' actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Funds' actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Funds and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads). Therefore, the table below is useful in comparing the ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs could have been higher.

	<b>CLASS A</b>			
	<u>Beginning account value</u>	<u>Ending account value</u>	<u>Annual Expense Ratio **</u>	<u>Expenses Paid During the Period *</u>
Small Cap Value Fund	\$1,000.00	\$1,018.00	1.40%	\$7.06
Small Cap Dividend Value Fund	1,000.00	1,018.50	1.30%	6.56
Small-Mid Cap Value Fund	1,000.00	1,018.00	1.40%	7.06
Mid Cap Dividend Value Fund	1,000.00	1,018.55	1.29%	6.51
All Cap Value Fund	1,000.00	1,017.95	1.41%	7.11

	<b>CLASS I</b>			
	<u>Beginning account value</u>	<u>Ending account value</u>	<u>Annual Expense Ratio **</u>	<u>Expenses Paid During the Period *</u>
Small Cap Value Fund	\$1,000.00	\$1,019.25	1.15%	\$5.81
Small Cap Dividend Value Fund	1,000.00	1,019.75	1.05%	5.30
Small-Mid Cap Value Fund	1,000.00	1,019.25	1.15%	5.81
Mid Cap Dividend Value Fund	1,000.00	1,019.80	1.04%	5.25
All Cap Value Fund	1,000.00	1,019.20	1.16%	5.86

\* Expenses are equal to the Funds' expense ratio for the six-month period, multiplied by the average account value over the period, multiplied by 183/366 for the Funds (to reflect the one-half year period).

\*\* Includes interest, where applicable.

**KEELEY Small Cap Value Fund**  
**SCHEDULE OF INVESTMENTS**  
**September 30, 2016**

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS – 95.91%</b>		<b>Food Products – 1.20%</b>	
<b>Building Products – 2.34%</b>		855,500	Flowers Foods, Inc. (b) \$ 12,935,160
254,128	A.O. Smith Corp. \$ 25,105,305	<b>Gas Utilities – 1.98%</b>	
<b>Chemicals – 3.24%</b>		719,100	South Jersey Industries, Inc. 21,249,405
328,500	Chemtura Corp. (a) 10,778,085	<b>Health Care Equipment &amp; Supplies – 2.60%</b>	
316,155	Sensient Technologies Corp. 23,964,549	297,539	Alere, Inc. (a) 12,865,586
	34,742,634	613,067	Wright Medical Group N.V. (a)(b) 15,038,534
<b>Commercial Banks – 10.64%</b>			27,904,120
619,900	BancorpSouth, Inc. 14,381,680	<b>Health Care Providers &amp; Services – 2.12%</b>	
365,800	BOK Financial Corp. (b) 25,229,226	1,131,200	The Ensign Group, Inc. 22,771,056
1,233,628	Hilltop Holdings, Inc. (a) 27,707,285	<b>Hotels, Restaurants &amp; Leisure – 5.70%</b>	
557,900	Synovus Financial Corp. 18,148,487	849,300	Bloomin' Brands, Inc. 14,641,932
483,575	UMB Financial Corp. 28,748,534	1,902,931	Denny's Corp. (a) 20,342,332
	114,215,212	167,400	Vail Resorts, Inc. (b) 26,261,712
<b>Commercial Services &amp; Supplies – 4.21%</b>			61,245,976
557,910	ABM Industries, Inc. 22,149,027	<b>Household Durables – 1.73%</b>	
657,082	Ritchie Bros. Auctioneers, Inc. (b) 23,043,866	1,413,378	TRI Pointe Group, Inc. (a) 18,628,322
	45,192,893	<b>IT Services – 1.37%</b>	
<b>Communications Equipment – 1.93%</b>		136,400	WEX, Inc. (a)(b) 14,743,476
2,820,688	Mitel Networks Corp. (a) 20,760,264	<b>Leisure Products – 1.13%</b>	
<b>Computer &amp; Peripherals – 1.59%</b>		303,714	Vista Outdoor, Inc. (a) 12,106,040
688,089	Diebold, Inc. 17,057,726	<b>Machinery – 6.00%</b>	
<b>Diversified Consumer Services – 0.87%</b>		415,324	ESCO Technologies, Inc. 19,279,340
694,270	Houghton Mifflin Harcourt Co. (a) 9,310,161	626,100	ITT, Inc. 22,439,424
<b>Diversified Financial Services – 2.59%</b>		322,316	John Bean Technologies Corp. 22,739,394
972,241	Air Lease Corp. 27,786,648		64,458,158
<b>Electric Utilities – 1.44%</b>		<b>Media – 4.91%</b>	
260,318	Allete, Inc. 15,520,159	979,456	Media General, Inc. (a) 18,051,374
<b>Electrical Equipment – 1.17%</b>		421,500	Nexstar Broadcasting Group, Inc. (b) 24,324,765
347,200	Generac Holdings, Inc. (a) 12,603,360	712,954	Time, Inc. 10,323,574
<b>Electronic Equipment, Instruments &amp; Components – 1.20%</b>			52,699,713
917,500	Knowles Corp. (a)(b) 12,890,875		

The accompanying notes are an integral part of these financial statements.

**KEELEY Small Cap Value Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**September 30, 2016**

Shares	Value	Shares	Value
<b>Metals &amp; Mining – 3.48%</b>		<b>Thriffs &amp; Mortgage Finance – 5.35%</b>	
1,016,700	Commercial Metals Co. \$ 16,460,373	229,400	Iberiabank Corp. \$ 15,397,328
241,725	Kaiser Aluminum Corp. 20,906,795	1,667,600	Kearny Financial Corp. 22,696,036
	37,367,168	911,300	Provident Financial Services, Inc. 19,346,899
			57,440,263
<b>Multi-Utilities – 3.89%</b>		<b>Total Common Stocks</b>	
402,900	Black Hills Corp. (b) 24,665,538	(Cost \$821,617,333) \$1,029,890,031	
297,600	Northwestern Corp. 17,120,928	<b>INVESTMENTS PURCHASED WITH PROCEEDS FROM SECURITIES LENDING COLLATERAL – 2.82%</b>	
	41,786,466	<b>Money Market Funds – 2.82%</b>	
<b>Oil, Gas &amp; Consumable Fuels – 3.65%</b>		30,316,804	JPMorgan Prime Money Market Fund – Institutional Class, 0.34% 30,316,804
867,900	Parsley Energy, Inc. (a) 29,083,329		30,316,804
1,463,023	Synergy Resources Corp. (a) 10,138,749	<b>Total Investments Purchased With Proceeds From Securities Lending Collateral</b>	
	39,222,078	(Cost \$30,316,804) \$ 30,316,804	
<b>Paper &amp; Forest Products – 1.04%</b>		<b>SHORT TERM INVESTMENTS – 3.49%</b>	
588,974	Kapstone Paper & Packaging Corp. 11,143,388	<b>Money Market Funds – 3.49%</b>	
<b>Real Estate Investment Trusts (REITs) – 10.31%</b>		37,507,902	Fidelity Institutional Money Market Portfolio – Institutional Class, 0.27% \$ 37,507,902
1,146,900	CareTrust REIT, Inc. 16,951,182	<b>Total Short Term Investments</b>	
446,384	Gaming & Leisure Properties, Inc. 14,931,545	(Cost \$37,507,902) \$ 37,507,902	
1,059,600	OUTFRONT Media, Inc. 25,059,540	<b>Total Investments – 102.22%</b>	
384,374	Ryman Hospitality Properties, Inc. 18,511,452	(Cost \$889,442,039) \$1,097,714,737	
874,111	Sabra Health Care REIT, Inc. 22,010,115	Liabilities in Excess of Other Assets – (2.22%) (23,840,075)	
471,172	Urban Edge Properties 13,258,780	<b>TOTAL NET ASSETS – 100.00%</b>	
	110,722,614	\$1,073,874,662	
<b>Real Estate Management &amp; Development – 3.65%</b>			
657,126	Forestar Group, Inc. (a) 7,694,945		
1,394,800	Kennedy-Wilson Holdings, Inc. 31,452,740		
	39,147,685		
<b>Software – 1.63%</b>			
464,919	Verint Systems, Inc. (a) 17,494,902		
<b>Specialty Retail – 2.95%</b>			
223,130	CST Brands, Inc. 10,730,322		
433,966	Penske Automotive Group, Inc. (b) 20,908,482		
	31,638,804		

The accompanying notes are an integral part of these financial statements.

**KEELEY Small Cap Value Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**September 30, 2016**

Percentages are stated as a percent of net assets.

- (a) Non Income Producing.
- (b) All or a portion of security is out on loan.  
See Note 2F in the Notes to the Financial Statements.

The industry classifications listed above are in accordance with Global Industry Classification Standards (GICS<sup>®</sup>), which was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor Financial Services LLC ("S&P").

The accompanying notes are an integral part of these financial statements.

**KEELEY Small Cap Dividend Value Fund**  
**SCHEDULE OF INVESTMENTS**  
**September 30, 2016**

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS – 98.52%</b>		<b>Electrical Equipment – 2.67%</b>	
<b>Automobiles – 1.81%</b>		24,551 AZZ, Inc.	\$ 1,602,444
77,100 Winnebago Industries, Inc.	\$ 1,817,247	18,100 Regal Beloit Corp.	<u>1,076,769</u>
<b>Capital Markets – 4.62%</b>			<u>2,679,213</u>
120,390 Silvercrest Asset Management Group, Inc.	1,429,029	<b>Electronic Equipment, Instruments &amp; Components – 4.09%</b>	
81,290 Solar Cap Ltd.	1,668,071	109,885 AVX Corp.	1,515,314
103,140 Virtu Financial, Inc.	<u>1,544,006</u>	118,340 Daktronics, Inc.	1,128,964
	<u>4,641,106</u>	26,880 Dolby Laboratories, Inc.	<u>1,459,315</u>
<b>Chemicals – 2.26%</b>			<u>4,103,593</u>
27,780 Hawkins, Inc.	1,203,707	<b>Energy Equipment &amp; Services – 0.37%</b>	
27,360 Innophos Holdings, Inc.	<u>1,067,861</u>	16,410 Patterson-UTI Energy, Inc.	<u>367,092</u>
	<u>2,271,568</u>	<b>Food Products – 1.62%</b>	
<b>Commercial Banks – 12.00%</b>		16,900 Sanderson Farms, Inc.	<u>1,627,977</u>
86,100 BancorpSouth, Inc.	1,997,520	<b>Gas Utilities – 1.16%</b>	
52,630 Columbia Banking System, Inc.	1,722,053	39,460 South Jersey Industries, Inc.	<u>1,166,043</u>
44,480 Glacier Bancorp, Inc.	1,268,570	<b>Health Care Equipment &amp; Supplies – 1.09%</b>	
62,000 Hanmi Financial Corp.	1,633,080	56,800 Meridian Bioscience, Inc.	<u>1,095,672</u>
57,176 LegacyTexas Financial Group, Inc.	1,808,477	<b>Health Care Providers &amp; Services – 5.28%</b>	
27,300 Union Bankshares Corp.	730,821	49,810 Aceto Corp.	945,892
33,300 Wintrust Financial Corp.	1,850,481	11,075 Chemed Corp.	1,562,350
39,470 Yadkin Financial Corp.	<u>1,037,666</u>	91,040 The Ensign Group, Inc.	1,832,635
	<u>12,048,668</u>	27,700 Owens & Minor, Inc.	<u>962,021</u>
<b>Commercial Services &amp; Supplies – 3.21%</b>			<u>5,302,898</u>
164,672 CECO Environmental Corp.	1,857,500	<b>Hotels, Restaurants &amp; Leisure – 3.32%</b>	
20,490 Deluxe Corp.	1,369,142	13,010 DineEquity, Inc.	1,030,262
	<u>3,226,642</u>	31,430 Marriott Vacations Worldwide Corp.	<u>2,304,448</u>
<b>Communications Equipment – 1.24%</b>			<u>3,334,710</u>
24,050 Plantronics, Inc.	<u>1,249,638</u>	<b>Household Durables – 1.44%</b>	
<b>Computer &amp; Peripherals – 1.33%</b>		21,251 Nacco Industries, Inc.	<u>1,444,218</u>
53,910 Diebold, Inc.	<u>1,336,429</u>	<b>Independent Power and Renewable Electricity Producers – 0.68%</b>	
<b>Construction &amp; Engineering – 1.35%</b>		35,880 Atlantica Yield PLC	<u>682,079</u>
65,760 Primoris Services Corp.	<u>1,354,656</u>	<b>Insurance – 4.01%</b>	
<b>Electric Utilities – 2.14%</b>		25,300 Arthur J. Gallagher & Co.	1,287,011
18,475 Allete, Inc.	1,101,479	30,504 FBL Financial Group, Inc.	1,951,341
22,510 El Paso Electric Co.	<u>1,052,793</u>		
	<u>2,154,272</u>		

The accompanying notes are an integral part of these financial statements.

**KEELEY Small Cap Dividend Value Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**September 30, 2016**

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>Insurance – (continued)</b>		<b>Real Estate Investment Trusts (REITs) – (continued)</b>	
21,670 James River Group Holdings Ltd.	\$ 784,454	57,205 Sabra Health Care REIT, Inc.	\$ 1,440,422
	<u>4,022,806</u>	54,200 STAG Industrial, Inc.	1,328,442
<b>Machinery – 3.01%</b>		53,575 Xenia Hotels & Resorts, Inc.	<u>813,268</u>
29,120 Alamo Group, Inc.	1,918,717		<u>14,378,756</u>
15,620 John Bean Technologies Corp.	1,101,991	<b>Semiconductors &amp; Semiconductor Equipment – 3.30%</b>	
	<u>3,020,708</u>	175,550 Cypress Semiconductor Corp.	2,134,688
<b>Media – 2.70%</b>		98,061 IXYS Corp.	<u>1,181,635</u>
25,300 Nexstar Broadcasting Group, Inc.	1,460,063		<u>3,316,323</u>
86,180 Time, Inc.	1,247,886	<b>Specialty Retail – 0.62%</b>	
	<u>2,707,949</u>	12,990 CST Brands, Inc.	<u>624,689</u>
<b>Metals &amp; Mining – 1.56%</b>		<b>Textiles, Apparel &amp; Luxury Goods – 1.58%</b>	
96,690 Commercial Metals Co.	1,565,411	53,371 Culp, Inc.	<u>1,588,855</u>
<b>Multi-Utilities – 1.82%</b>		<b>Thrifts &amp; Mortgage Finance – 5.88%</b>	
19,820 Black Hills Corp.	1,213,380	60,180 Berkshire Hills Bancorp, Inc.	1,667,588
10,620 Northwestern Corp.	610,969	24,790 Iberiabank Corp.	1,663,905
	<u>1,824,349</u>	66,400 Oritani Financial Corp.	1,043,808
<b>Oil, Gas &amp; Consumable Fuels – 2.74%</b>		72,000 Provident Financial Services, Inc.	<u>1,528,560</u>
144,030 Alon USA Energy, Inc.	1,160,882		<u>5,903,861</u>
34,300 World Fuel Services Corp.	1,586,718	<b>Transportation Infrastructure – 1.50%</b>	
	<u>2,747,600</u>	18,100 Macquarie Infrastructure Company LLC	<u>1,506,644</u>
<b>Paper &amp; Forest Products – 1.30%</b>		<b>Water Utilities – 1.16%</b>	
154,690 Mercer International, Inc.	1,310,224	36,425 California Water Service Group	<u>1,168,878</u>
<b>Professional Services – 1.35%</b>		<b>Total Common Stocks (Cost \$80,940,151)</b>	
90,914 Resources Connection, Inc.	1,358,255		<u>\$98,949,029</u>
<b>Real Estate Investment Trusts (REITs) – 14.31%</b>		<b>SHORT TERM INVESTMENTS – 3.34%</b>	
118,333 CareTrust REIT, Inc.	1,748,962	<b>Money Market Funds – 3.34%</b>	
72,870 City Office REIT, Inc.	927,635	3,353,679 Fidelity Institutional Money Market Portfolio – Institutional Class, 0.27%	<u>\$ 3,353,679</u>
35,360 CorEnergy Infrastructure Trust, Inc.	1,037,109	<b>Total Short Term Investments (Cost \$3,353,679)</b>	
181,418 Gramercy Property Trust, Inc.	1,748,870		<u>\$ 3,353,679</u>
68,055 National Storage Affiliates	1,425,071		
76,060 OUTFRONT Media, Inc.	1,798,819		
27,350 Potlatch Corp.	1,063,641		
21,730 Ryman Hospitality Properties, Inc.	1,046,517		

The accompanying notes are an integral part of these financial statements.

**KEELEY Small Cap Dividend Value Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**September 30, 2016**

<u>Shares</u>	<u>Value</u>
<b>Total Investments – 101.86%</b>	
(Cost \$84,293,830)	\$102,302,708
Liabilities in Excess of Other	
Assets – (1.86)%	<u>(1,872,221)</u>
<b>TOTAL NET</b>	
<b>ASSETS – 100.00%</b>	<u><u>\$100,430,487</u></u>

Percentages are stated as a percent of net assets.

The industry classifications listed above are in accordance with Global Industry Classification Standards (GICS®), which was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor Financial Services LLC (“S&P”).

The accompanying notes are an integral part of these financial statements.

**KEELEY Small-Mid Cap Value Fund**  
**SCHEDULE OF INVESTMENTS**  
**September 30, 2016**

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS – 95.84%</b>		<b>Food Products – 0.67%</b>	
<b>Aerospace &amp; Defense – 1.99%</b>		66,930	Flowers Foods, Inc. \$ 1,011,982
39,250	Orbital ATK, Inc. \$ 2,992,028	<b>Health Care Equipment &amp; Supplies – 1.54%</b>	
<b>Auto Components – 1.25%</b>		94,410	Wright Medical Group N.V. (a) 2,315,877
26,300	Delphi Automotive PLC 1,875,716	<b>Health Care Providers &amp; Services – 1.56%</b>	
<b>Building Products – 1.90%</b>		17,000	Laboratory Corporation of America Holdings (a) 2,337,160
28,860	A.O. Smith Corp. 2,851,079	<b>Home Furnishings – 1.51%</b>	
<b>Capital Markets – 1.45%</b>		38,920	Fortune Brands Home & Security, Inc. 2,261,252
156,646	OM Asset Management PLC 2,178,946	<b>Hotels, Restaurants &amp; Leisure – 4.96%</b>	
<b>Chemicals – 5.65%</b>		251,450	Del Taco Restaurants, Inc. (a) 2,997,284
26,700	Ashland Global Holdings, Inc. 3,095,865	149,900	Denny's Corp. (a) 1,602,431
105,830	Chemtura Corp. (a) 3,472,282	38,920	Marriott Vacations Worldwide Corp. 2,853,614
117,720	Huntsman Corp. 1,915,305		7,453,329
	8,483,452	<b>Household Durables – 1.08%</b>	
<b>Commercial Banks – 8.09%</b>		122,740	TRI Pointe Group, Inc. (a) 1,617,713
50,740	BOK Financial Corp. 3,499,538	<b>Household Products – 1.94%</b>	
117,700	Hanmi Financial Corp. 3,100,218	21,170	Spectrum Brands Holdings, Inc. 2,914,897
57,530	Synovus Financial Corp. 1,871,451	<b>Insurance – 2.03%</b>	
61,840	UMB Financial Corp. 3,676,388	75,340	Allied World Assurance Company Holdings, AG 3,045,243
	12,147,595	<b>IT Services – 5.46%</b>	
<b>Commercial Services &amp; Supplies – 1.39%</b>		38,920	Broadridge Financial Solutions, Inc. 2,638,387
38,920	Copart, Inc. (a) 2,084,555	118,480	CSRA, Inc. 3,187,112
<b>Communications Equipment – 1.91%</b>		22,030	WEX, Inc. (a) 2,381,222
389,480	Mitel Networks Corp. (a) 2,866,573		8,206,721
<b>Diversified Consumer Services – 1.47%</b>		<b>Machinery – 6.26%</b>	
93,230	Carriage Services, Inc. 2,204,890	56,710	ESCO Technologies, Inc. 2,632,478
<b>Diversified Financial Services – 5.57%</b>		90,630	ITT, Inc. 3,248,179
90,980	Air Lease Corp. 2,600,208	49,890	John Bean Technologies Corp. 3,519,740
52,500	Fidelity National Financial, Inc. 1,937,775		9,400,397
132,990	Voya Financial, Inc. 3,832,772		
	8,370,755		
<b>Electrical Equipment – 1.10%</b>			
45,720	Generac Holdings, Inc. (a) 1,659,636		
<b>Electronic Equipment, Instruments &amp; Components – 0.87%</b>			
93,200	Knowles Corp. (a) 1,309,460		

The accompanying notes are an integral part of these financial statements.



**KEELEY Small-Mid Cap Value Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**September 30, 2016**

Shares	Value	Shares	Value
<b>Media – 2.94%</b>		<b>Specialty Retail – 1.22%</b>	
78,800 TEGNA, Inc.	\$ 1,722,568	38,070 Penske Automotive Group, Inc.	\$ 1,834,213
73,710 Tribune Co.	2,691,889	<b>Textiles, Apparel &amp; Luxury Goods – 1.87%</b>	
	4,414,457	25,470 PVH Corp.	2,814,435
<b>Metals &amp; Mining – 2.88%</b>		<b>Water Utilities – 1.35%</b>	
144,800 Commercial Metals Co.	2,344,312	27,140 American Water Works Company, Inc.	2,031,158
22,880 Kaiser Aluminum Corp.	1,978,891	<b>Total Common Stocks</b>	
	4,323,203	(Cost \$106,365,138) \$143,966,898	
<b>Multi-Utilities – 3.69%</b>		<b>SHORT TERM INVESTMENTS – 4.28%</b>	
126,180 MDU Resources Group, Inc.	3,210,019	<b>Money Market Funds – 4.28%</b>	
207,810 NRG Energy, Inc.	2,329,550	6,425,799 Fidelity Institutional Money Market Portfolio – Institutional Class, 0.27%	\$ 6,425,799
	5,539,569	<b>Total Short Term Investments</b>	
<b>Oil, Gas &amp; Consumable Fuels – 2.47%</b>		(Cost \$6,425,799) \$ 6,425,799	
64,310 Energen Corp.	3,711,973	<b>Total Investments – 100.12%</b>	
<b>Real Estate Investment Trusts (REITs) – 12.85%</b>		(Cost \$112,790,937) \$150,392,697	
155,030 CareTrust REIT, Inc.	2,291,343	Liabilities in Excess of Other Assets – (0.12)% (184,211)	
94,020 Equity Commonwealth (a)	2,841,284	<b>TOTAL NET ASSETS – 100.00%</b>	
71,335 Gaming & Leisure Properties, Inc.	2,386,156	<u>\$150,208,486</u>	
72,683 Iron Mountain, Inc.	2,727,793		
38,950 Lamar Advertising Co.	2,543,824		
38,920 Ryman Hospitality Properties, Inc.	1,874,387		
105,760 Sabra Health Care REIT, Inc.	2,663,037		
148,360 Spirit Realty Capital, Inc.	1,977,639		
	19,305,463		
<b>Real Estate Management &amp; Development – 2.60%</b>		<b>Percentages are stated as a percent of net assets.</b>	
79,650 Forestar Group, Inc. (a)	932,702	<b>(a) Non-income producing security.</b>	
26,020 The Howard Hughes Corp. (a)	2,979,290		
	3,911,992		
<b>Road &amp; Rail – 1.67%</b>		<b>The industry classifications listed above are in accordance with Global Industry Classification Standards (GICS®), which was developed by and/or is the exclusive property of MSCI, Inc. and Standard &amp; Poor Financial Services LLC (“S&amp;P”).</b>	
38,030 Ryder System, Inc.	2,508,079		
<b>Software – 2.65%</b>			
33,890 CDK Global, Inc.	1,943,930		
54,190 Verint Systems, Inc. (a)	2,039,170		
	3,983,100		

The accompanying notes are an integral part of these financial statements.

**KEELEY Mid Cap Dividend Value Fund**  
**SCHEDULE OF INVESTMENTS**  
**September 30, 2016**

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS – 95.37%</b>		<b>Electronic Equipment, Instruments &amp; Components – 1.30%</b>	
<b>Auto Components – 1.18%</b>		<b>Energy Equipment &amp; Services – 1.10%</b>	
9,925 Autoliv, Inc.	\$ 1,059,990	21,470 Dolby Laboratories, Inc.	\$ 1,165,606
<b>Capital Markets – 2.06%</b>		<b>Food Products – 1.48%</b>	
10,575 Ameriprise Financial, Inc.	1,055,068	28,325 ConAgra Foods, Inc.	1,334,391
27,040 Federated Investors, Inc.	801,195	<b>Gas Utilities – 2.62%</b>	
	<u>1,856,263</u>	23,050 National Fuel Gas Co.	1,246,314
<b>Chemicals – 4.17%</b>		24,500 UGI Corp.	<u>1,108,380</u>
27,855 FMC Corp.	1,346,511	<b>Health Care Providers &amp; Services – 2.43%</b>	
59,420 Huntsman Corp.	966,763	9,200 AmerisourceBergen Corp.	743,176
26,725 RPM International, Inc.	1,435,667	11,075 CIGNA Corp.	1,443,294
	<u>3,748,941</u>	<b>Hotels, Restaurants &amp; Leisure – 1.43%</b>	
<b>Commercial Banks – 7.74%</b>		19,100 Wyndham Worldwide Corp.	<u>1,286,003</u>
57,825 Associated Banc-Corp.	1,132,792	<b>Insurance – 4.81%</b>	
29,074 BOK Financial Corp.	2,005,233	22,500 Arthur J. Gallagher & Co.	1,144,575
29,550 Comerica, Inc.	1,398,306	33,490 Lincoln National Corp.	1,573,360
19,050 UMB Financial Corp.	1,132,523	14,925 Reinsurance Group of America, Inc.	<u>1,611,005</u>
85,200 Umpqua Holdings Corp.	1,282,260	<b>IT Services – 7.70%</b>	
	<u>6,951,114</u>	19,450 Broadridge Financial Solutions, Inc.	1,318,516
<b>Commercial Services &amp; Supplies – 2.40%</b>		29,120 Computer Sciences Corp.	1,520,355
7,500 Dun & Bradstreet Corp.	1,024,650	55,640 CSRA, Inc.	1,496,716
32,370 Ritchie Bros. Auctioneers, Inc.	1,135,216	15,375 Fidelity National Information Services, Inc.	1,184,336
	<u>2,159,866</u>	29,905 Total System Services, Inc.	<u>1,410,021</u>
<b>Communications Equipment – 1.53%</b>		<b>Life Sciences Tools &amp; Services – 0.97%</b>	
14,995 Harris Corp.	<u>1,373,692</u>	18,610 Agilent Technologies, Inc.	<u>876,345</u>
<b>Construction Materials – 2.05%</b>		<b>Machinery – 4.32%</b>	
16,225 Vulcan Materials Co.	<u>1,845,269</u>	45,070 ITT, Inc.	1,615,308
<b>Consumer Finance – 1.53%</b>			
24,305 Discover Financial Services	<u>1,374,448</u>		
<b>Containers &amp; Packaging – 1.57%</b>			
29,075 WestRock Co.	<u>1,409,556</u>		
<b>Diversified Financial Services – 5.10%</b>			
55,000 Air Lease Corp.	1,571,900		
45,625 CIT Group, Inc.	1,656,188		
47,200 Voya Financial, Inc.	1,360,304		
	<u>4,588,392</u>		
<b>Electric Utilities – 1.30%</b>			
33,825 PPL Corp.	<u>1,169,330</u>		

The accompanying notes are an integral part of these financial statements.

**KEELEY Mid Cap Dividend Value Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**September 30, 2016**

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>Machinery – (continued)</b>		<b>Specialty Retail – (continued)</b>	
26,200 Oshkosh Corp.	\$ 1,467,200	24,100 Foot Locker, Inc.	\$ 1,632,051
5,300 Snap-On, Inc.	805,388		2,498,708
	3,887,896		
<b>Media – 3.04%</b>		<b>Textiles, Apparel &amp; Luxury Goods – 0.99%</b>	
24,225 Scripps Networks Interactive, Inc.	1,538,045	8,775 Ralph Lauren Corp.	887,504
55,155 TEGNA, Inc.	1,205,688		
	2,743,733	<b>Transportation Infrastructure – 1.53%</b>	
<b>Multi-Utilities – 5.59%</b>		16,545 Macquarie Infrastructure Company LLC	1,377,206
19,700 Black Hills Corp.	1,206,034		
56,775 MDU Resources Group, Inc.	1,444,356	<b>Water Utilities – 0.68%</b>	
103,900 NRG Energy, Inc.	1,164,719	8,130 American Water Works Company, Inc.	608,449
38,350 OGE Energy Corp.	1,212,627		
	5,027,736	<b>Total Common Stocks</b>	
<b>Oil, Gas &amp; Consumable Fuels – 5.65%</b>		(Cost \$68,491,415)	\$85,788,484
52,400 Cabot Oil & Gas Corp.	1,351,920	<b>SHORT TERM INVESTMENTS – 4.75%</b>	
16,985 Energen Corp.	980,374	<b>Money Market Funds – 4.75%</b>	
18,925 EQT Corp.	1,374,334	4,273,443 Fidelity Institutional Money Market Portfolio – Institutional Class, 0.27%	\$ 4,273,443
56,175 HollyFrontier Corp.	1,376,287		
	5,082,915	<b>Total Short Term Investments</b>	
<b>Real Estate Investment Trusts (REITs) – 14.75%</b>		(Cost \$4,273,443)	\$ 4,273,443
9,000 Alexandria Real Estate Equities, Inc.	978,930	<b>Total Investments – 100.12%</b>	
44,025 Brixmor Property Group, Inc.	1,223,455	(Cost \$72,764,858)	\$90,061,927
85,475 DDR Corp.	1,489,829	<b>Liabilities in Excess of Other Assets – (0.12)%</b>	
18,250 EPR Properties	1,437,005		(110,479)
14,100 Equity Lifestyle Properties, Inc.	1,088,238	<b>TOTAL NET ASSETS – 100.00%</b>	
33,900 Healthcare Trust of America, Inc.	1,105,818		\$89,951,448
56,540 Iron Mountain, Inc.	2,121,946	<b>Percentages are stated as a percent of net assets.</b>	
23,505 Lamar Advertising Co.	1,535,112	<b>The industry classifications listed above are in accordance with Global Industry Classification Standards (GICS®), which was developed by and/or is the exclusive property of MSCI, Inc. and Standard &amp; Poor Financial Services LLC (“S&amp;P”).</b>	
118,090 Spirit Realty Capital, Inc.	1,574,139		
47,150 Xenia Hotels & Resorts, Inc.	715,737		
	13,270,209		
<b>Road &amp; Rail – 1.57%</b>			
21,430 Ryder System, Inc.	1,413,309		
<b>Specialty Retail – 2.78%</b>			
48,525 American Eagle Outfitters	866,657		

The accompanying notes are an integral part of these financial statements.

**KEELEY All Cap Value Fund**  
**SCHEDULE OF INVESTMENTS**  
**September 30, 2016**

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
<b>COMMON STOCKS – 96.32%</b>		<b>IT Services – 5.62%</b>	
<b>Auto Components – 4.18%</b>		18,530 Fidelity National Information Services, Inc.	\$ 1,427,366
56,735 Johnson Controls International PLC	\$ 2,639,877	51,830 Paypal Holdings, Inc. (a)	2,123,475
<b>Beverages – 3.52%</b>			3,550,841
20,220 Molson Coors Brewing Co.	2,220,156	<b>Leisure Products – 2.04%</b>	
<b>Biotechnology – 3.40%</b>		32,360 Vista Outdoor, Inc. (a)	1,289,870
11,083 Shire PLC – ADR	2,148,550	<b>Media – 8.09%</b>	
<b>Capital Markets – 1.58%</b>		46,810 Nexstar Broadcasting Group, Inc.	2,701,405
84,034 Silvercrest Asset Management Group, Inc.	997,484	65,980 Tribune Co.	2,409,590
<b>Chemicals – 4.22%</b>			5,110,995
22,970 Ashland Global Holdings, Inc.	2,663,371	<b>Metals &amp; Mining – 1.66%</b>	
<b>Commercial Banks – 4.05%</b>		12,130 Kaiser Aluminum Corp.	1,049,124
18,660 BOK Financial Corp.	1,286,980	<b>Multi-Utilities – 6.00%</b>	
21,360 UMB Financial Corp.	1,269,852	50,410 MDU Resources Group, Inc.	1,282,431
	2,556,832	223,710 NRG Energy, Inc.	2,507,789
<b>Consumer Finance – 1.99%</b>			3,790,220
22,190 Discover Financial Services	1,254,844	<b>Oil, Gas &amp; Consumable Fuels – 4.21%</b>	
<b>Diversified Financial Services – 9.14%</b>		13,800 EOG Resources, Inc.	1,334,598
115,310 Air Lease Corp.	3,295,560	18,130 Occidental Petroleum Corp.	1,322,040
85,830 Voya Financial, Inc.	2,473,620		2,656,638
	5,769,180	<b>Pharmaceuticals – 7.31%</b>	
<b>Energy Equipment &amp; Services – 1.88%</b>		41,040 Pfizer, Inc.	1,390,025
21,250 Dril-Quip, Inc. (a)	1,184,475	31,290 Teva Pharmaceutical Industries Ltd. – ADR	1,439,653
<b>Food Products – 1.69%</b>		34,309 Zoetis, Inc.	1,784,411
24,270 Mondelez International, Inc.	1,065,453		4,614,089
<b>Health Care Equipment &amp; Supplies – 4.50%</b>		<b>Real Estate Investment Trusts (REITs) – 3.46%</b>	
31,900 Baxter International, Inc.	1,518,440	72,320 Equity Commonwealth (a)	2,185,510
53,944 Wright Medical Group N.V. (a)	1,323,246	<b>Real Estate Management &amp; Development – 7.17%</b>	
	2,841,686	15,940 The Howard Hughes Corp. (a)	1,825,130
<b>Hotels, Restaurants &amp; Leisure – 2.85%</b>		119,840 Kennedy-Wilson Holdings, Inc.	2,702,392
151,130 Del Taco Restaurants, Inc. (a)	1,801,470		4,527,522
<b>Insurance – 2.71%</b>		<b>Semiconductors &amp; Semiconductor Equipment – 1.97%</b>	
42,420 Allied World Assurance Company Holdings, AG	1,714,616	54,680 VERSUM MATLS, Inc. (a)	1,241,236

The accompanying notes are an integral part of these financial statements.

**KEELEY All Cap Value Fund**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**September 30, 2016**

<u>Shares</u>	<u>Value</u>
<b>Technology Hardware, Storage &amp; Peripherals – 3.08%</b>	
85,530 Hewlett Packard Enterprise Co.	<u>\$ 1,945,808</u>
<b>Total Common Stocks</b> (Cost \$51,181,637)	<u>\$60,819,847</u>
<b>SHORT TERM INVESTMENTS – 4.07%</b>	
<b>Money Market Funds – 4.07%</b>	
2,571,990 Fidelity Institutional Money Market Portfolio – Institutional Class, 0.27%	<u>\$ 2,571,990</u>
<b>Total Short Term Investments</b> (Cost \$2,571,990)	<u>\$ 2,571,990</u>
<b>Total Investments – 100.39%</b> (Cost \$53,753,627) \$63,391,837	
Liabilities in Excess of Other Assets – (0.39)%	<u>(244,329)</u>
<b>TOTAL NET ASSETS – 100.00%</b>	<u>\$63,147,508</u>

Percentages are stated as a percent of net assets.

ADR – American Depository Receipt

(a) Non-income producing security.

The industry classifications listed above are in accordance with Global Industry Classification Standards (GICS®), which was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor Financial Services LLC (“S&P”).

The accompanying notes are an integral part of these financial statements.

**KEELEY Funds, Inc.**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**September 30, 2016**

	<u>Small Cap Value Fund</u>
<b>ASSETS:</b>	
Investments, at value <sup>(1)</sup>	\$1,097,714,737
Cash	—
Receivable for investments sold	21,730,282
Receivable for shares issued	216,938
Dividends and interest receivable	1,522,338
Prepaid expenses and other assets	18,575
Total Assets	<u>1,121,202,870</u>
<b>LIABILITIES:</b>	
Payable for investments purchased	10,583,082
Payable for shares redeemed	4,564,131
Payable upon return of securities on loan <sup>(2)</sup>	30,316,804
Payable to Adviser	875,771
Payable to Directors	64,422
Accrued 12b-1 fees - Class A	86,811
Other accrued expenses	837,187
Total Liabilities	<u>47,328,208</u>
<b>NET ASSETS</b>	<u><u>\$1,073,874,662</u></u>
<b>NET ASSETS CONSIST OF:</b>	
Capital stock	\$ 816,789,743
Accumulated undistributed net investment income/(loss)	5,345,174
Accumulated undistributed net realized gain/(loss) on investments	43,467,047
Net unrealized appreciation/(depreciation) on Investments	208,272,698
<b>NET ASSETS</b>	<u><u>\$1,073,874,662</u></u>
<b>CAPITAL STOCK, \$0.0001 par value</b>	
<b>Class A Shares</b>	
Authorized	500,000,000
Issued and outstanding	20,067,224
<b>NET ASSETS</b>	\$ 647,939,423
<b>NET ASSET VALUE</b>	<u>\$ 32.29</u>
<b>MAXIMUM OFFERING PRICE PER SHARE <sup>(3)</sup></b>	<u>\$ 33.81</u>
<b>Class I Shares</b>	
Authorized	100,000,000
Issued and outstanding	13,034,840
<b>NET ASSETS</b>	\$ 425,935,239
<b>NET ASSET VALUE</b>	<u>\$ 32.68</u>
<sup>(1)</sup> Cost of Investments	\$ 889,442,039

- <sup>(2)</sup> The market value of securities on loan was \$30,102,799 as of September 30, 2016.  
<sup>(3)</sup> Includes a sales load of 4.50% (see Note 7 of the Notes to the Financial Statements).

The accompanying notes are an integral part of these financial statements.

**KEELEY Funds, Inc.**  
**STATEMENT OF ASSETS AND LIABILITIES (Continued)**  
**September 30, 2016**

<u>Small Cap Dividend Value Fund</u>	<u>Small-Mid Cap Value Fund</u>	<u>Mid Cap Dividend Value Fund</u>	<u>All Cap Value Fund</u>
\$102,302,708	\$150,392,697	\$ 90,061,927	\$ 63,391,837
4,333	12,756	—	—
244,886	1,456,481	—	1,226,536
152,175	34,823	10,156	—
249,305	198,041	190,566	68,214
8,580	23,155	24,891	11,821
<u>102,961,987</u>	<u>152,117,953</u>	<u>90,287,540</u>	<u>64,698,408</u>
132,595	1,244,759	—	1,263,622
2,115,390	437,679	108,240	176,981
—	—	—	—
67,198	111,883	54,888	45,012
6,021	10,609	2,660	6,435
5,057	8,446	4,728	2,834
205,239	96,091	165,576	56,016
<u>2,531,500</u>	<u>1,909,467</u>	<u>336,092</u>	<u>1,550,900</u>
<u>\$100,430,487</u>	<u>\$150,208,486</u>	<u>\$ 89,951,448</u>	<u>\$ 63,147,508</u>
\$ 81,391,871	\$104,712,356	\$ 90,092,425	\$ 53,322,696
(12,181)	361,297	(2,931)	151,161
1,041,919	7,533,073	(17,435,115)	35,441
18,008,878	37,601,760	17,297,069	9,638,210
<u>\$100,430,487</u>	<u>\$150,208,486</u>	<u>\$ 89,951,448</u>	<u>\$ 63,147,508</u>
100,000,000	100,000,000	100,000,000	100,000,000
1,480,337	3,379,762	1,094,590	1,174,720
\$ 24,619,942	\$ 45,570,421	\$ 20,661,349	\$ 18,500,552
\$ 16.63	\$ 13.48	\$ 18.88	\$ 15.75
<u>\$ 17.41</u>	<u>\$ 14.12</u>	<u>\$ 19.77</u>	<u>\$ 16.49</u>
100,000,000	100,000,000	100,000,000	100,000,000
4,552,170	7,625,781	3,671,402	2,811,014
\$ 75,810,545	\$104,638,065	\$ 69,290,099	\$ 44,646,956
\$ 16.65	\$ 13.72	\$ 18.87	\$ 15.88
<u>\$ 84,293,830</u>	<u>\$112,790,937</u>	<u>\$ 72,764,858</u>	<u>\$ 53,753,627</u>

The accompanying notes are an integral part of these financial statements.

**KEELEY Funds, Inc.**  
**STATEMENT OF OPERATIONS**  
**September 30, 2016**

	<u>Small Cap Value Fund</u>
<b>INVESTMENT INCOME:</b>	
Dividend income	\$ 22,559,649
Less: Foreign withholding tax	(81,544)
Interest income	86,131
Securities lending income, net	160,131
Total Investment Income	<u>22,724,367</u>
<b>EXPENSES:</b>	
Investment advisory fees	12,357,551
12b-1 fees - Class A	1,907,462
Shareholder servicing fees	630,975
Transfer agent fees and expenses	320,673
Federal and state registration fees	61,949
Audit expense	63,090
Fund accounting and administration fees	344,088
Directors' fees	219,659
Custody fees	71,095
Reports to shareholders	208,023
Interest expense	16,152
Other	454,042
Total expenses before reimbursement	16,654,759
Reimbursement of expenses by Adviser	(235,940)
<b>NET EXPENSES</b>	<u>16,418,819</u>
<b>NET INVESTMENT INCOME/(LOSS)</b>	<u>6,305,548</u>
<b>REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS:</b>	
Net realized gain/(loss) on investment from sales of investments	49,524,736
Change in net unrealized appreciation/(depreciation) on investments	52,602,591
Net Gain on Investments	<u>101,127,327</u>
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<u><u>\$108,432,875</u></u>

The accompanying notes are an integral part of these financial statements.



**KEELEY Funds, Inc.**  
**STATEMENT OF OPERATIONS (Continued)**  
**September 30, 2016**

<u>Small Cap Dividend Value Fund</u>	<u>Small-Mid Cap Value Fund</u>	<u>Mid Cap Dividend Value Fund</u>	<u>All Cap Value Fund</u>
\$ 3,348,349	\$ 2,814,384	\$ 1,631,095	\$1,164,119
—	—	(2,738)	(4,967)
5,613	9,598	18,274	3,971
—	—	—	—
<u>3,353,962</u>	<u>2,823,982</u>	<u>1,654,626</u>	<u>1,163,123</u>
1,076,211	1,778,933	687,117	743,747
69,984	141,816	37,098	56,721
53,811	88,947	34,356	37,187
27,188	46,024	17,741	19,692
37,057	40,628	46,748	30,841
27,537	27,359	25,892	27,263
33,413	52,087	21,693	22,608
19,873	32,510	6,148	14,193
8,679	16,762	6,756	9,118
13,449	27,346	5,678	9,061
6,641	1,921	202	6,755
32,821	58,305	22,421	24,919
1,406,664	2,312,638	911,850	1,002,105
(207,565)	(134,054)	(160,020)	(87,950)
<u>1,199,099</u>	<u>2,178,584</u>	<u>751,830</u>	<u>914,155</u>
<u>2,154,863</u>	<u>645,398</u>	<u>894,801</u>	<u>248,968</u>
2,063,701	10,802,421	(3,116,313)	3,123,461
11,868,254	2,757,283	18,454,833	4,119,838
<u>13,931,955</u>	<u>13,559,704</u>	<u>15,338,520</u>	<u>7,243,299</u>
<u>\$16,086,818</u>	<u>\$14,205,102</u>	<u>\$16,233,321</u>	<u>\$7,492,267</u>

The accompanying notes are an integral part of these financial statements.

**KEELEY Funds, Inc.**  
**STATEMENTS OF CHANGES IN NET ASSETS**

	<b>Small Cap Value Fund</b>	
	<b>Year Ended September 30, 2016</b>	<b>Year Ended September 30, 2015</b>
<b>OPERATIONS:</b>		
Net investment income/(loss)	\$ 6,305,548	\$ 3,201,767
Net realized gain/(loss) on investments	49,524,736	251,608,838
Change in net unrealized appreciation/(depreciation) on investments	52,602,591	(350,951,048)
Net increase/(decrease) in net assets resulting from operations	108,432,875	(96,140,443)
<b>DISTRIBUTIONS:</b>		
Net investment income - Class A	—	—
Net investment income - Class I	(1,205,223)	(2,413,851)
Net realized gains - Class A	(112,623,922)	(3,208,833)
Net realized gains - Class I	(73,440,477)	(2,214,872)
Total Distributions	(187,269,622)	(7,837,556)
<b>CAPITAL STOCK TRANSACTIONS</b>		
<b>Class A Shares</b>		
Proceeds from shares issued	41,557,328	163,488,899
Proceeds from distributions reinvested	103,794,891	3,008,708
Cost of shares redeemed	(463,508,360)	(643,140,034)
Net increase/(decrease) from capital stock transactions	(318,156,141)	(476,642,427)
<b>Class I Shares</b>		
Proceeds from shares issued	101,481,110	193,655,676
Proceeds from distributions reinvested	62,550,132	4,021,823
Cost of shares redeemed	(320,542,201)	(513,419,666)
Net increase/(decrease) from capital stock transactions	(156,510,959)	(315,742,167)
<b>TOTAL INCREASE/(DECREASE) IN NET ASSETS</b>	<b>(553,503,847)</b>	<b>(896,362,593)</b>
<b>NET ASSETS:</b>		
Beginning of period	1,627,378,509	2,523,741,102
End of period	<b>\$1,073,874,662</b>	<b>\$1,627,378,509</b>
Accumulated undistributed net investment income/(loss)	\$ 5,345,174	\$ 202,953
<b>CAPITAL SHARE TRANSACTIONS:</b>		
<b>Class A Shares</b>		
Shares sold	1,347,001	4,333,376
Issued to shareholder in reinvestment of dividends	3,466,763	83,182
Shares redeemed	(14,825,142)	(17,168,623)
Net increase/(decrease) from capital stock transactions	(10,011,378)	(12,752,065)
<b>Class I Shares</b>		
Shares sold	3,190,466	5,101,981
Issued to shareholder in reinvestment of dividends	2,062,807	106,303
Shares redeemed	(10,344,561)	(13,608,759)
Net increase/(decrease) from capital stock transactions	(5,091,288)	(8,400,475)

The accompanying notes are an integral part of these financial statements.

**KEELEY Funds, Inc.**  
**STATEMENTS OF CHANGES IN NET ASSETS (Continued)**

Small Cap Dividend Value Fund		Small-Mid Cap Value Fund	
Year Ended September 30, 2016	Year Ended September 30, 2015	Year Ended September 30, 2016	Year Ended September 30, 2015
\$ 2,154,863	\$ 2,351,203	\$ 645,398	\$ 579,305
2,063,701	5,818,434	10,802,421	5,171,629
<u>11,868,254</u>	<u>(10,849,295)</u>	<u>2,757,283</u>	<u>(24,166,568)</u>
<u>16,086,818</u>	<u>(2,679,658)</u>	<u>14,205,102</u>	<u>(18,415,634)</u>
(550,765)	(755,983)	(96,060)	(262,981)
(1,887,007)	(1,778,273)	(787,228)	(809,240)
(1,343,068)	(2,851,967)	(2,254,097)	(11,074,191)
<u>(3,532,892)</u>	<u>(5,042,966)</u>	<u>(4,998,002)</u>	<u>(18,070,576)</u>
<u>(7,313,732)</u>	<u>(10,429,189)</u>	<u>(8,135,387)</u>	<u>(30,216,988)</u>
3,403,113	9,898,046	7,262,222	21,392,068
1,749,679	3,299,066	2,241,120	10,946,586
<u>(22,056,244)</u>	<u>(29,604,498)</u>	<u>(53,733,931)</u>	<u>(38,221,931)</u>
<u>(16,903,452)</u>	<u>(16,407,386)</u>	<u>(44,230,589)</u>	<u>(5,883,277)</u>
21,418,049	21,458,091	31,176,485	45,202,190
3,764,215	6,697,378	4,794,158	18,630,895
<u>(42,609,038)</u>	<u>(24,780,231)</u>	<u>(77,178,868)</u>	<u>(76,640,236)</u>
<u>(17,426,774)</u>	<u>3,375,238</u>	<u>(41,208,225)</u>	<u>(12,807,151)</u>
<u>(25,557,140)</u>	<u>(26,140,995)</u>	<u>(79,369,099)</u>	<u>(67,323,050)</u>
125,987,627	152,128,622	229,577,585	296,900,635
<u>\$100,430,487</u>	<u>\$125,987,627</u>	<u>\$150,208,486</u>	<u>\$229,577,585</u>
<u>\$ (12,181)</u>	<u>\$ (15,609)</u>	<u>\$ 361,297</u>	<u>\$ 599,527</u>
217,578	582,614	586,065	1,489,769
114,646	198,501	184,461	816,416
<u>(1,428,260)</u>	<u>(1,739,846)</u>	<u>(4,288,404)</u>	<u>(2,691,538)</u>
<u>(1,096,036)</u>	<u>(958,731)</u>	<u>(3,517,878)</u>	<u>(385,353)</u>
1,384,770	1,259,151	2,413,139	3,099,867
245,982	402,048	387,464	1,362,503
<u>(2,776,839)</u>	<u>(1,480,397)</u>	<u>(6,338,313)</u>	<u>(5,328,688)</u>
<u>(1,146,087)</u>	<u>180,802</u>	<u>(3,537,710)</u>	<u>(866,318)</u>

The accompanying notes are an integral part of these financial statements.

**KEELEY Funds, Inc.**  
**STATEMENTS OF CHANGES IN NET ASSETS (Continued)**

	<b>Mid Cap Dividend Value Fund</b>	
	<b>Year Ended September 30, 2016</b>	<b>Year Ended September 30, 2015</b>
<b>OPERATIONS:</b>		
Net investment income/(loss)	\$ 894,801	\$ 299,197
Net realized gain/(loss) on investments	(3,116,313)	1,589,599
Change in net unrealized appreciation/(depreciation) on investments	18,454,833	(2,443,211)
Net increase/(decrease) in net assets resulting from operations	16,233,321	(554,415)
<b>DISTRIBUTIONS:</b>		
Net investment income - Class A	(140,724)	(85,321)
Net investment income - Class I	(695,106)	(241,434)
Net realized gains - Class A	(233,092)	(209,004)
Net realized gains - Class I	(1,248,086)	(435,462)
Return of Capital - Class A	(33,462)	—
Return of Capital - Class I	(121,479)	—
Total Distributions	(2,471,949)	(971,221)
<b>CAPITAL STOCK TRANSACTIONS</b>		
<b>Class A Shares</b>		
Proceeds from shares issued	5,574,055	6,478,265
Proceeds from shares issued in connection with acquisition <sup>(1)</sup>	14,081,943	—
Proceeds from distributions reinvested	373,621	285,183
Cost of shares redeemed	(14,171,805)	(6,460,503)
Net increase/(decrease) from capital stock transactions	5,857,814	302,945
<b>Class I Shares</b>		
Proceeds from shares issued	17,038,203	5,194,427
Proceeds from shares issued in connection with acquisition <sup>(1)</sup>	28,220,546	—
Proceeds from distributions reinvested	1,408,373	676,896
Cost of shares redeemed	(11,416,649)	(321,382)
Net increase/(decrease) from capital stock transactions	35,250,473	5,549,941
<b>TOTAL INCREASE/(DECREASE) IN NET ASSETS</b>	<b>54,869,659</b>	<b>4,327,250</b>
<b>NET ASSETS:</b>		
Beginning of period	35,081,789	30,754,539
End of period	<b>\$ 89,951,448</b>	<b>\$35,081,789</b>
Accumulated undistributed net investment income/(loss)	<b>\$ (2,931)</b>	<b>\$ (2,755)</b>
<b>CAPITAL SHARE TRANSACTIONS:</b>		
<b>Class A Shares</b>		
Shares sold	317,544	343,104
Shares sold in connection with acquisition <sup>(1)</sup>	929,592	—
Issued to shareholder in reinvestment of dividends	21,844	16,098
Shares redeemed	(826,403)	(346,493)
Net increase/(decrease) from capital stock transactions	442,577	12,709
<b>Class I Shares</b>		
Shares sold	988,940	277,995
Shares sold in connection with acquisition <sup>(1)</sup>	1,863,147	—
Issued to shareholder in reinvestment of dividends	81,014	38,089
Shares redeemed	(670,426)	(17,874)
Net increase/(decrease) from capital stock transactions	2,262,675	298,210

<sup>(1)</sup> On January 27, 2016, the Keeley Mid Cap Value Fund merged into KMDVF (see Note 11 of the Notes to the Financial Statements).

The accompanying notes are an integral part of these financial statements.

**KEELEY Funds, Inc.**  
**STATEMENTS OF CHANGES IN NET ASSETS (Continued)**

All Cap Value Fund

<u>Year Ended September 30, 2016</u>	<u>Year Ended September 30, 2015</u>
\$ 248,968	\$ 845,762
3,123,461	18,475,883
4,119,838	(30,190,784)
<u>7,492,267</u>	<u>(10,869,139)</u>
(131,786)	(80,066)
(775,728)	(211,508)
(3,753,132)	—
(9,575,587)	—
—	—
—	—
<u>(14,236,233)</u>	<u>(291,574)</u>
324,434	8,633,957
—	—
3,597,812	78,141
<u>(37,086,752)</u>	<u>(18,750,648)</u>
<u>(33,164,506)</u>	<u>(10,038,550)</u>
31,308,154	3,425,892
—	—
4,710,701	211,508
<u>(31,842,286)</u>	<u>(10,517,042)</u>
4,176,569	(6,879,642)
<u>(35,731,903)</u>	<u>(28,078,905)</u>
98,879,411	126,958,316
<u>\$ 63,147,508</u>	<u>\$ 98,879,411</u>
<u>\$ 151,161</u>	<u>\$ 806,077</u>
20,836	464,231
—	—
247,272	4,181
<u>(2,268,923)</u>	<u>(1,020,658)</u>
<u>(2,000,815)</u>	<u>(552,246)</u>
1,862,169	183,224
—	—
319,967	11,221
<u>(2,185,420)</u>	<u>(570,474)</u>
<u>(3,284)</u>	<u>(376,029)</u>

The accompanying notes are an integral part of these financial statements.

## KEELEY Small Cap Value Fund FINANCIAL HIGHLIGHTS

	Year Ended September 30,				
	2016	2015	2014	2013	2012
<b>CLASS A <sup>(1)</sup></b>					
<b>Net asset value, beginning of period</b>	\$ 33.63	\$ 36.25	\$ 35.62	\$ 27.01	\$ 20.29
<b>Income from investment operations:</b>					
Net investment income/(loss) <sup>(2)</sup>	0.12	0.01	(0.02)	0.16	0.02
Net realized and unrealized gain/(loss) on investments	2.93	(2.55)	0.77	8.51	6.70
<b>Total from investment operations</b>	3.05	(2.54)	0.75	8.67	6.72
<b>Less distributions:</b>					
Net investment income	—	—	(0.12)	(0.06)	—
Net realized gains	(4.39)	(0.08)	—	—	—
<b>Net asset value, end of period</b>	<u>\$ 32.29</u>	<u>\$ 33.63</u>	<u>\$ 36.25</u>	<u>\$ 35.62</u>	<u>\$ 27.01</u>
<b>Total return <sup>(3)</sup></b>	10.09%	(7.02)%	2.10%	32.17%	33.12%
<b>Supplemental data and ratios:</b>					
Net assets, end of period (in 000's)	\$647,939	\$1,011,544	\$1,552,587	\$2,036,972	\$1,808,213
Ratio of expenses to average net assets <sup>(4)</sup>	1.40%	1.36%	1.35%	1.36%	1.39%
Ratio of net investment income/(loss) to average net assets	0.40%	0.04%	(0.06)%	0.52%	0.07%
<b>Prior to Reimbursement:</b>					
Ratio of expenses to average net assets <sup>(4)</sup>	1.42%	1.36%	1.35%	1.36%	1.39%
Ratio of net investment income/(loss) to average net assets	0.38%	0.04%	(0.06)%	0.52%	0.07%
Portfolio turnover rate	35.56%	24.70%	42.72%	51.12%	25.87%
<b>CLASS I <sup>(1)</sup></b>					
<b>Net asset value, beginning of period</b>	\$ 33.97	\$ 36.61	\$ 35.94	\$ 27.28	\$ 20.44
<b>Income from investment operations:</b>					
Net investment income/(loss) <sup>(2)</sup>	0.20	0.11	0.07	0.24	0.08
Net realized and unrealized gain/(loss) on investments	2.97	(2.58)	0.79	8.58	6.76
<b>Total from investment operations</b>	3.17	(2.47)	0.86	8.82	6.84
<b>Less distributions:</b>					
Net investment income	(0.07)	(0.09)	(0.19)	(0.16)	—
Net realized gains	(4.39)	(0.08)	—	—	—
<b>Net asset value, end of period</b>	<u>\$ 32.68</u>	<u>\$ 33.97</u>	<u>\$ 36.61</u>	<u>\$ 35.94</u>	<u>\$ 27.28</u>
<b>Total return <sup>(3)</sup></b>	10.39%	(6.80)%	2.36%	32.49%	33.46%
<b>Supplemental data and ratios:</b>					
Net assets, end of period (in 000's)	\$425,935	\$ 615,835	\$ 971,154	\$ 939,482	\$ 826,529
Ratio of expenses to average net assets <sup>(4)</sup>	1.15%	1.11%	1.10%	1.11%	1.14%
Ratio of net investment income/(loss) to average net assets	0.65%	0.29%	0.19%	0.77%	0.32%
<b>Prior to Reimbursement:</b>					
Ratio of expenses to average net assets <sup>(4)</sup>	1.17%	1.11%	1.10%	1.11%	1.14%
Ratio of net investment income/(loss) to average net assets	0.63%	0.29%	0.19%	0.77%	0.32%
Portfolio turnover rate	35.56%	24.70%	42.72%	51.12%	25.87%

<sup>(1)</sup> Per share data is for a share outstanding throughout the period.

<sup>(2)</sup> Net investment income/(loss) per share has been calculated based on average shares outstanding during the period.

<sup>(3)</sup> The total return calculation does not reflect the sales load imposed on the purchase of shares (see Note 7 of the Notes to the Financial Statements).

<sup>(4)</sup> The ratio of expenses to average net assets includes interest expense and deferred compensation expense which was 0.01%, 0.00%, 0.01%, 0.00%, and 0.00%, respectively. (see Note 3 of the Notes to the Financial Statements).

The accompanying notes are an integral part of these financial statements.

**KEELEY Small Cap Dividend Value Fund**  
**FINANCIAL HIGHLIGHTS**

	Year Ended September 30,				
	2016	2015	2014	2013	2012
<b>CLASS A <sup>(1)</sup></b>					
<b>Net asset value, beginning of period</b>	\$ 15.21	\$ 16.79	\$ 16.73	\$ 14.21	\$ 11.36
<b>Income from investment operations:</b>					
Net investment income/(loss) <sup>(2)</sup>	0.28	0.24	0.17	0.23	0.21
Net realized and unrealized gain/(loss) on investments	2.11	(0.65)	0.68	2.96	3.14
<b>Total from investment operations</b>	2.39	(0.41)	0.85	3.19	3.35
<b>Less distributions:</b>					
Net investment income	(0.33)	(0.26)	(0.22)	(0.28)	(0.20)
Net realized gains	(0.64)	(0.91)	(0.57)	(0.39)	(0.30)
<b>Net asset value, end of period</b>	\$ 16.63	\$ 15.21	\$ 16.79	\$ 16.73	\$ 14.21
<b>Total return <sup>(3)</sup></b>	16.40%	(2.93)%	4.90%	23.20%	29.90%
<b>Supplemental data and ratios:</b>					
Net assets, end of period (in 000's)	\$24,620	\$39,190	\$59,360	\$83,061	\$32,549
Ratio of expenses to average net assets <sup>(4)</sup>	1.30%	1.31%	1.39%	1.39%	1.39%
Ratio of net investment income/(loss) to average net assets	1.81%	1.41%	0.96%	1.48%	1.53%
<b>Prior to Reimbursement:</b>					
Ratio of expenses to average net assets <sup>(4)</sup>	1.49%	1.46%	1.43%	1.48%	1.56%
Ratio of net investment income/(loss) to average net assets	1.62%	1.26%	0.92%	1.39%	1.36%
Portfolio turnover rate	26.58%	26.59%	38.81%	27.19%	28.98%
<b>CLASS I <sup>(1)</sup></b>					
<b>Net asset value, beginning of period</b>	\$ 15.23	\$ 16.81	\$ 16.75	\$ 14.22	\$ 11.37
<b>Income from investment operations:</b>					
Net investment income/(loss) <sup>(2)</sup>	0.32	0.28	0.21	0.27	0.24
Net realized and unrealized gain/(loss) on investments	2.11	(0.65)	0.69	2.97	3.14
<b>Total from investment operations</b>	2.43	(0.37)	0.90	3.24	3.38
<b>Less distributions:</b>					
Net investment income	(0.37)	(0.30)	(0.27)	(0.32)	(0.23)
Net realized gains	(0.64)	(0.91)	(0.57)	(0.39)	(0.30)
<b>Net asset value, end of period</b>	\$ 16.65	\$ 15.23	\$ 16.81	\$ 16.75	\$ 14.22
<b>Total return <sup>(3)</sup></b>	16.68%	(2.68)%	5.17%	23.53%	30.16%
<b>Supplemental data and ratios:</b>					
Net assets, end of period (in 000's)	\$75,811	\$86,798	\$92,769	\$69,324	\$31,495
Ratio of expenses to average net assets <sup>(4)</sup>	1.05%	1.06%	1.14%	1.14%	1.14%
Ratio of net investment income/(loss) to average net assets	2.06%	1.66%	1.21%	1.73%	1.78%
<b>Prior to Reimbursement:</b>					
Ratio of expenses to average net assets <sup>(4)</sup>	1.24%	1.21%	1.18%	1.23%	1.31%
Ratio of net investment income/(loss) to average net assets	1.87%	1.51%	1.17%	1.64%	1.61%
Portfolio turnover rate	26.58%	26.59%	38.81%	27.19%	28.98%

<sup>(1)</sup> Per share data is for a share outstanding throughout the period.

<sup>(2)</sup> Net investment income/(loss) per share has been calculated based on average shares outstanding during the period.

<sup>(3)</sup> The total return calculation does not reflect the sales load imposed on the purchase of shares (see Note 7 of the Notes to the Financial Statements).

<sup>(4)</sup> The ratio of expenses to average net assets includes interest expense and deferred compensation expense which was 0.01%, 0.00%, 0.00%, 0.00%, and 0.00% respectively. (see Note 3 of the Notes to the Financial Statements).

The accompanying notes are an integral part of these financial statements.

## KEELEY Small-Mid Cap Value Fund FINANCIAL HIGHLIGHTS

	Year Ended September 30,				
	2016	2015	2014	2013	2012
<b>CLASS A <sup>(1)</sup></b>					
<b>Net asset value, beginning of period</b>	\$ 12.57	\$ 15.22	\$ 16.21	\$ 12.12	\$ 8.54
<b>Income from investment operations:</b>					
Net investment income/(loss) <sup>(2)</sup>	0.02	0.01	0.04	0.08	(0.05)
Net realized and unrealized gain/(loss) on investments	1.35	(1.05)	0.97	4.18	3.63
<b>Total from investment operations</b>	1.37	(1.04)	1.01	4.26	3.58
<b>Less distributions:</b>					
Net investment income	(0.02)	(0.03)	(0.02)	(0.03)	—
Net realized gains	(0.44)	(1.58)	(1.98)	(0.14)	—
<b>Net asset value, end of period</b>	\$ 13.48	\$ 12.57	\$ 15.22	\$ 16.21	\$ 12.12
<b>Total return <sup>(3)</sup></b>	11.28%	(7.42)%	5.88%	35.49%	41.92%
<b>Supplemental data and ratios:</b>					
Net assets, end of period (in 000's)	\$ 45,570	\$ 86,689	\$ 110,862	\$ 106,054	\$ 65,283
Ratio of expenses to average net assets <sup>(4)</sup>	1.40%	1.39%	1.39%	1.39%	1.40%
Ratio of net investment income/(loss) to average net assets	0.19%	0.04%	0.23%	0.58%	(0.45)%
<b>Prior to Reimbursement:</b>					
Ratio of expenses to average net assets <sup>(4)</sup>	1.47%	1.43%	1.42%	1.43%	1.45%
Ratio of net investment income/(loss) to average net assets	0.12%	0.00%	0.20%	0.54%	(0.50)%
Portfolio turnover rate	36.78%	20.43%	43.10%	68.27%	51.11%
<b>CLASS I <sup>(1)</sup></b>					
<b>Net asset value, beginning of period</b>	\$ 12.80	\$ 15.46	\$ 16.43	\$ 12.25	\$ 8.62
<b>Income from investment operations:</b>					
Net investment income/(loss) <sup>(2)</sup>	0.06	0.04	0.08	0.12	(0.02)
Net realized and unrealized gain/(loss) on investments	1.37	(1.06)	0.98	4.24	3.65
<b>Total from investment operations</b>	1.43	(1.02)	1.06	4.36	3.63
<b>Less distributions:</b>					
Net investment income	(0.07)	(0.06)	(0.05)	(0.04)	—
Net realized gains	(0.44)	(1.58)	(1.98)	(0.14)	—
<b>Net asset value, end of period</b>	\$ 13.72	\$ 12.80	\$ 15.46	\$ 16.43	\$ 12.25
<b>Total return <sup>(3)</sup></b>	11.59%	(7.18)%	6.11%	35.93%	42.11%
<b>Supplemental data and ratios:</b>					
Net assets, end of period (in 000's)	\$ 104,638	\$ 142,888	\$ 186,039	\$ 144,647	\$ 118,712
Ratio of expenses to average net assets <sup>(4)</sup>	1.15%	1.14%	1.14%	1.14%	1.15%
Ratio of net investment income/(loss) to average net assets	0.44%	0.29%	0.48%	0.83%	(0.20)%
<b>Prior to Reimbursement:</b>					
Ratio of expenses to average net assets <sup>(4)</sup>	1.22%	1.18%	1.17%	1.18%	1.20%
Ratio of net investment income/(loss) to average net assets	0.37%	0.25%	0.45%	0.79%	(0.25)%
Portfolio turnover rate	36.78%	20.43%	43.10%	68.27%	51.11%

(1) Per share data is for a share outstanding throughout the period.

(2) Net investment income/(loss) per share has been calculated based on average shares outstanding during the period.

(3) The total return calculation does not reflect the sales load imposed on the purchase of shares (see Note 7 of the Notes to the Financial Statements).

(4) The ratio of expenses to average net assets includes interest expense and deferred compensation expense which was 0.01%, 0.00%, 0.00%, 0.00%, and 0.01% respectively. (see Note 3 of the Notes to the Financial Statements).

The accompanying notes are an integral part of these financial statements.



## KEELEY Mid Cap Dividend Value Fund FINANCIAL HIGHLIGHTS

	Year Ended September 30,				October 3, 2011 <sup>(1)</sup> to September 30, 2012
	2016	2015	2014	2013	
<b>CLASS A <sup>(2)</sup></b>					
<b>Net asset value, beginning of period</b>	\$ 17.03	\$ 17.59	\$ 15.55	\$ 12.60	\$10.00
<b>Income from investment operations:</b>					
Net investment income/(loss) <sup>(3)</sup>	0.19	0.13	0.17	0.19	0.18
Net realized and unrealized gain/(loss) on investments	2.57	(0.17)	2.21	2.98	2.59
<b>Total from investment operations</b>	<u>2.76</u>	<u>(0.04)</u>	<u>2.38</u>	<u>3.17</u>	<u>2.77</u>
<b>Less distributions:</b>					
Net investment income	(0.16)	(0.14)	(0.19)	(0.22)	(0.17)
Net realized gains	(0.71)	(0.38)	(0.15)	—	—
Return of Capital	(0.04)	—	—	—	—
<b>Net asset value, end of period</b>	<u>\$ 18.88</u>	<u>\$ 17.03</u>	<u>\$ 17.59</u>	<u>\$ 15.55</u>	<u>\$12.60</u>
<b>Total return <sup>(4)</sup></b>	16.90%	(0.33)%	15.37%	25.41%	27.80% <sup>(5)</sup>
<b>Supplemental data and ratios:</b>					
Net assets, end of period (in 000's)	\$20,661	\$11,105	\$11,243	\$ 9,327	\$5,721
Ratio of expenses to average net assets <sup>(6)</sup>	1.29%	1.30%	1.39%	1.39%	1.41% <sup>(7)</sup>
Ratio of net investment income/(loss) to average net assets	1.10%	0.70%	0.99%	1.31%	1.52% <sup>(7)</sup>
<b>Prior to Reimbursement:</b>					
Ratio of expenses to average net assets <sup>(6)</sup>	1.52%	1.61%	1.59%	1.87%	2.83% <sup>(7)</sup>
Ratio of net investment income/(loss) to average net assets	0.87%	0.39%	0.79%	0.83%	0.10% <sup>(7)</sup>
Portfolio turnover rate	49.27%	20.33%	13.32%	36.12%	13.74% <sup>(5)</sup>
<b>CLASS I <sup>(2)</sup></b>					
<b>Net asset value, beginning of period</b>	\$ 17.03	\$ 17.59	\$ 15.55	\$ 12.60	\$10.00
<b>Income from investment operations:</b>					
Net investment income/(loss) <sup>(3)</sup>	0.24	0.18	0.21	0.23	0.21
Net realized and unrealized gain/(loss) on investments	2.56	(0.17)	2.21	2.98	2.59
<b>Total from investment operations</b>	<u>2.80</u>	<u>0.01</u>	<u>2.42</u>	<u>3.21</u>	<u>2.80</u>
<b>Less distributions:</b>					
Net investment income	(0.21)	(0.19)	(0.23)	(0.26)	(0.20)
Net realized gains	(0.71)	(0.38)	(0.15)	—	—
Return of Capital	(0.04)	—	—	—	—
<b>Net asset value, end of period</b>	<u>\$ 18.87</u>	<u>\$ 17.03</u>	<u>\$ 17.59</u>	<u>\$ 15.55</u>	<u>\$12.60</u>
<b>Total return <sup>(4)</sup></b>	17.18%	(0.08)%	15.65%	25.71%	28.10% <sup>(5)</sup>
<b>Supplemental data and ratios:</b>					
Net assets, end of period (in 000's)	\$69,290	\$23,977	\$19,511	\$15,838	\$3,381
Ratio of expenses to average net assets <sup>(6)</sup>	1.04%	1.05%	1.14%	1.14%	1.16% <sup>(7)</sup>
Ratio of net investment income/(loss) to average net assets	1.35%	0.95%	1.24%	1.56%	1.77% <sup>(7)</sup>
<b>Prior to Reimbursement:</b>					
Ratio of expenses to average net assets <sup>(6)</sup>	1.27%	1.36%	1.34%	1.62%	2.58% <sup>(7)</sup>
Ratio of net investment income/(loss) to average net assets	1.12%	0.65%	1.04%	1.08%	0.35% <sup>(7)</sup>
Portfolio turnover rate	49.27%	20.33%	13.32%	36.12%	13.74% <sup>(5)</sup>

<sup>(1)</sup> Commencement of operations.

<sup>(2)</sup> Per share data is for a share outstanding throughout the period.

<sup>(3)</sup> Net investment income/(loss) per share has been calculated based on average shares outstanding during the period.

<sup>(4)</sup> The total return calculation does not reflect the sales load imposed on the purchase of shares (see Note 7 of the Notes to the Financial Statements).

<sup>(5)</sup> Not Annualized.

<sup>(6)</sup> The ratio of expenses to average net assets includes interest expense and deferred compensation expense which was 0.00%, 0.00%, 0.00%, 0.00%, and 0.02% respectively. (see Note 3 of the Notes to the Financial Statements).

<sup>(7)</sup> Annualized.

The accompanying notes are an integral part of these financial statements.

## KEELEY All Cap Value Fund FINANCIAL HIGHLIGHTS

	Year Ended September 30,				
	2016	2015	2014	2013	2012
<b>CLASS A <sup>(1)</sup></b>					
<b>Net asset value, beginning of period</b>	\$ 16.43	\$ 18.27	\$ 16.40	\$ 12.77	\$ 9.61
<b>Income from investment operations:</b>					
Net investment income/(loss) <sup>(2)</sup>	0.02	0.11	0.02	0.05	0.01
Net realized and unrealized gain/(loss) on investments	1.76	(1.93)	1.87	3.62	3.15
<b>Total from investment operations</b>	1.78	(1.82)	1.89	3.67	3.16
<b>Less distributions:</b>					
Net investment income	(0.08)	(0.02)	(0.02)	(0.04)	—
Net realized gains	(2.38)	—	—	—	—
<b>Net asset value, end of period</b>	\$ 15.75	\$ 16.43	\$ 18.27	\$ 16.40	\$ 12.77
<b>Total return <sup>(3)</sup></b>	12.21%	(9.96)%	11.52%	28.79%	32.88%
<b>Supplemental data and ratios:</b>					
Net assets, end of period (in 000's)	\$18,501	\$52,171	\$68,091	\$65,187	\$52,581
Ratio of expenses to average net assets <sup>(4)</sup>	1.41%	1.39%	1.39%	1.39%	1.39%
Ratio of net investment income/(loss) to average net assets	0.15%	0.60%	0.10%	0.34%	0.11%
<b>Prior to Reimbursement:</b>					
Ratio of expenses to average net assets <sup>(4)</sup>	1.52%	1.46%	1.43%	1.46%	1.47%
Ratio of net investment income/(loss) to average net assets	0.04%	0.53%	0.06%	0.27%	0.03%
Portfolio turnover rate	75.28%	55.91%	35.16%	46.16%	50.10%
<b>CLASS I <sup>(1)</sup></b>					
<b>Net asset value, beginning of period</b>	\$ 16.60	\$ 18.45	\$ 16.55	\$ 12.89	\$ 9.67
<b>Income from investment operations:</b>					
Net investment income/(loss) <sup>(2)</sup>	0.06	0.16	0.07	0.09	0.04
Net realized and unrealized gain/(loss) on investments	1.77	(1.94)	1.88	3.65	3.18
<b>Total from investment operations</b>	1.83	(1.78)	1.95	3.74	3.22
<b>Less distributions:</b>					
Net investment income	(0.17)	(0.07)	(0.05)	(0.08)	—
Net realized gains	(2.38)	—	—	—	—
<b>Net asset value, end of period</b>	\$ 15.88	\$ 16.60	\$ 18.45	\$ 16.55	\$ 12.89
<b>Total return <sup>(3)</sup></b>	12.45%	(9.70)%	11.78%	29.13%	33.30%
<b>Supplemental data and ratios:</b>					
Net assets, end of period (in 000's)	\$44,647	\$46,708	\$58,867	\$46,754	\$32,375
Ratio of expenses to average net assets <sup>(4)</sup>	1.16%	1.14%	1.14%	1.14%	1.14%
Ratio of net investment income/(loss) to average net assets	0.41%	0.85%	0.35%	0.59%	0.36%
<b>Prior to Reimbursement:</b>					
Ratio of expenses to average net assets <sup>(4)</sup>	1.27%	1.21%	1.18%	1.21%	1.22%
Ratio of net investment income/(loss) to average net assets	0.30%	0.78%	0.31%	0.52%	0.28%
Portfolio turnover rate	75.28%	55.91%	35.16%	46.16%	50.10%

<sup>(1)</sup> Per share data is for a share outstanding throughout the period.

<sup>(2)</sup> Net investment income/(loss) per share has been calculated based on average shares outstanding during the period.

<sup>(3)</sup> The total return calculation does not reflect the sales load imposed on the purchase of shares (see Note 7 of the Notes to the Financial Statements).

<sup>(4)</sup> The ratio of expenses to average net assets includes interest expense and deferred compensation expense which was 0.02%, 0.00%, 0.00%, 0.00%, and 0.00%, respectively. (see Note 3 of the Notes to the Financial Statements).

The accompanying notes are an integral part of these financial statements.

**KEELEY Funds, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**September 30, 2016**

**1. ORGANIZATION**

KEELEY Funds, Inc. (the "Corporation") was organized on April 7, 2005 as a Maryland corporation and is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a diversified, open-ended investment company. As of September 30, 2016 the Corporation consists of five series, KEELEY Small Cap Value Fund ("KSCVF"), KEELEY Small Cap Dividend Value Fund ("KSDVF"), KEELEY Small-Mid Cap Value Fund ("KSMVF"), KEELEY Mid Cap Dividend Value Fund ("KMDVF"), and KEELEY All Cap Value Fund ("KACVF") (each, a "Fund," and collectively, the "Funds"), each with two classes of shares: Class A and Class I. As noted in the Funds' prospectus, Class I is an institutional class and does not charge a sales load or a 12b-1 fee to its shareholders. The KEELEY Small Cap Value Fund, Inc., predecessor to KSCVF, commenced operations on October 1, 1993. As part of a plan of reorganization, on December 31, 2007, KEELEY Small Cap Value Fund, Inc. merged into KSCVF, a newly-created series within the Corporation. KSDVF, KSMVF, KMDVF and KACVF commenced operations on December 1, 2009, August 15, 2007, October 3, 2011 and June 14, 2006 respectively. One series of the Corporation, KEELEY Mid Cap Value Fund merged into KMDVF on January 27, 2016.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of significant accounting policies consistently followed by the Corporation in the preparation of its financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The presentation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

a) Investment Valuation – Securities which are traded on a recognized stock exchange are valued at the last sale price each day on the securities exchange on which such securities are primarily traded or at the last sale price on a national securities exchange. Exchange-traded securities for which there were no transactions are valued at the current bid prices. Securities traded on only over-the-counter markets (1) are valued at the NASDAQ Official Closing Price ("NOCP"), as determined by NASDAQ, or (2) lacking an NOCP, the last current reported sale price as of the time of valuation on NASDAQ, or (3) lacking any current reported sales price as of the time of valuation on NASDAQ, at the mean between the most recent bid and asked quotations. Securities issued by a foreign issuer that are not traded on a securities exchange in the United States or in the over-the-counter market and quoted on

**KEELEY Funds, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**September 30, 2016**

the NASDAQ National Market System are valued at the last quoted sale price as of the close of the regular trading hours of the principal exchange or the over-the-counter market on which the security is traded on the day valuation is made. Foreign securities that were not traded on the valuation date are valued at the last reported bid price. Debt securities and other fixed income securities (other than short-term obligations) held by the Funds are valued by an independent pricing service that uses various valuation methodologies such as matrix pricing and other analytical pricing models, as well as market transactions and dealer quotations. Short-term securities with remaining maturities of 61 days or more are valued at current market quotations as provided by an independent pricing service on the day of valuation. Securities maturing in 60 days or less and securities that are not eligible for vendor pricing (including repurchase agreements and demand notes) are valued at “amortized cost” on the day of valuation, which approximates fair value. Investments in open-ended registered investment companies that do not trade on an exchange are valued at the end of day NAV per share.

Securities for which quotations are not readily available are valued by the Funds’ investment adviser, Keeley Asset Management Corp. (the “Adviser”), at their respective fair values as determined in good faith pursuant to procedures adopted by the Corporation’s Board of Directors. For each investment that is fair valued, the Adviser takes into consideration, to the extent applicable, various factors, including, but not limited to, the financial condition of the company, comparable companies in the public market, the nature and duration of the cause for a quotation not being readily available and other relevant factors. Securities fair valued by the Adviser are indicated in the Schedules of Investments and are categorized as Level 2 or Level 3 of the fair value hierarchy. No securities were fair valued by the Funds as of September 30, 2016.

The Funds have performed an analysis of all existing investments to determine the significance and character of all inputs to their fair value determination. Various inputs are used in determining the value of each Fund’s investments. These inputs are summarized in the following three broad categories:

- Level 1 – Quoted unadjusted prices for identical instruments in active markets to which the Corporation has access at the date of measurement.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. Level 2 inputs are those in markets for which there are few transactions, the prices are not current, little public information exists or instances where prices vary substantially over time or among brokered market makers.

**KEELEY Funds, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**September 30, 2016**

- Level 3 – Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. Unobservable inputs are those inputs that reflect the Funds' own assumptions that market participants would use to price the asset or liability based on the best available information.

**Keeley Small Cap Value Fund**

	Level 1	Level 2	Level 3	Total
Common Stocks*	\$1,029,890,031	\$ —	\$ —	\$1,029,890,031
Investments Purchased with Proceeds from Securities Lending Collateral	30,316,804	—	—	30,316,804
Short Term Investments	37,507,902	—	—	37,507,902
Total Investments in Securities	<u>\$1,097,714,737</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$1,097,714,737</u>

**Keeley Small Cap Dividend Value Fund**

	Level 1	Level 2	Level 3	Total
Common Stocks*	\$ 98,949,029	\$ —	\$ —	\$ 98,949,029
Short Term Investments	3,353,679	—	—	3,353,679
Total Investments in Securities	<u>\$ 102,302,708</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 102,302,708</u>

**Keeley Small-Mid Cap Value Fund**

	Level 1	Level 2	Level 3	Total
Common Stocks*	\$ 143,966,898	\$ —	\$ —	\$ 143,966,898
Short Term Investments	6,425,799	—	—	6,425,799
Total Investments in Securities	<u>\$ 150,392,697</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 150,392,697</u>

**Keeley Mid Cap Dividend Value Fund**

	Level 1	Level 2	Level 3	Total
Common Stocks*	\$ 85,788,484	\$ —	\$ —	\$ 85,788,484
Short-Term Investments	4,273,443	—	—	4,273,443
Total Investments in Securities	<u>\$ 90,061,927</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 90,061,927</u>

**Keeley All Cap Value Fund**

	Level 1	Level 2	Level 3	Total
Common Stocks*	\$ 60,819,847	\$ —	\$ —	\$ 60,819,847
Short-Term Investments	2,571,990	—	—	2,571,990
Total Investments in Securities	<u>\$ 63,391,837</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 63,391,837</u>

\* See the Schedule of Investments for the investments detailed by industry classification.

**KEELEY Funds, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**September 30, 2016**

Transfers between levels are identified at the end of the reporting period. There were no transfers between Levels 1 and 2 or Levels 2 and 3 at the end of the period September 30, 2016 for the Funds.

b) Federal Income and Excise Taxes – It is the Funds' policy to meet the requirements of Subtitle A, Chapter 1, Subchapter M of the Internal Revenue Code, as amended, applicable to regulated investment companies and to distribute all investment company net taxable income and net capital gains to shareholders in a manner which results in no tax cost to the Funds. Therefore, no federal income or excise tax provision is required.

There is no tax liability resulting from unrecognized tax benefits relating to uncertain tax positions taken or expected to be taken on the tax return for the fiscal year ended September 30, 2016, or for any other tax years which are open for exam. As of September 30, 2016, open tax years include the tax years ended 2013 through 2016. The Funds also are not aware of any tax position for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. During the period, the Funds did not incur any tax interest or penalties. As of September 30, 2016, no examinations were in progress.

c) Distributions to Shareholders – Dividends from net investment income, if any, will be declared and paid annually for KSCVF, KSMVF and KACVF. Dividends from net investment income, if any, will be declared and paid quarterly for KSDVF and KMDVF. Distributions of net realized gains, if any, will be declared and paid at least annually for all Funds. Distributions to shareholders are recorded on the ex-dividend date. For 2016, KSCVF, KSDVF, KSMVF and KACVF utilized earnings and profits distributions to shareholders on redemption of shares as part of the dividends paid deduction for income tax purposes. A Fund may make reclassifications periodically among certain of its capital accounts as a result of the characterization of certain income and realized gains determined annually in accordance with federal tax regulations that may differ from U.S. GAAP. These reclassifications between capital accounts were made for only those differences that are permanent in nature such as net operating losses, non-deductible costs, equalization and dividend reclasses as follows:

<u>Fund</u>	<u>Undistributed Net Investment Income/(Loss)</u>	<u>Accumulated Net Realized Gain/(Loss)</u>	<u>Paid in Capital</u>
KSCVF	\$ 41,896	\$ (3,405,598)	\$ 3,363,702
KSDVF	259,443	(378,640)	119,197
KSMVF	(340)	(763,100)	763,440
KMDVF	87,799	(14,263,959)	14,176,160
KACVF	3,630	(225,428)	221,798

**KEELEY Funds, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**September 30, 2016**

d) Other – Investment transactions are recorded on trade date for financial reporting purposes. The Funds determine the gain or loss realized from investment transactions by comparing the identified original cost of the security lot sold with the net sale proceeds. Dividend income less foreign tax withheld, if any, is recognized on the ex-dividend date and interest income is recognized on an accrual basis, including amortization/accretion of premiums or discounts using the effective interest method.

Net investment income, other than class specific expenses, and realized and unrealized gains and losses are allocated daily to each class of shares based upon the relative net asset value of outstanding shares of each class of shares at the beginning of the day (after adjusting for the current capital shares activity of the respective class).

Expenses common to all portfolios are allocated among the Funds based upon their relative net assets values or other appropriate allocation methods.

e) Guarantees and Indemnifications – In the normal course of business, the Corporation may enter into a contract with service providers that contains general indemnification clauses. The Corporation's maximum exposure under these arrangements is unknown as this would involve future claims against the Corporation that have not yet occurred. Based on experience, the Corporation expects the risk of loss to be remote.

f) Securities Lending – The Funds may lend their portfolio securities to banks, brokers and dealers. This activity is subject to an agreement where U.S. Bank, N.A. acts as the Funds' agent. When loaning securities, the Fund retains the benefits of owning the securities, including the economic equivalent of dividends or interest generated by the security.

Pursuant to this agreement, income earned from the securities lending program is paid to the Fund, net of any fees paid to U.S. Bank N.A. and is recognized as "Securities Lending Income, net" on the Statement of Operations.

Lending of the Funds' securities exposes the Funds to risks such as the following: (i) the borrower may fail to return the loaned securities, (ii) the borrower may not be able to provide additional collateral in instances when the value of the collateral is less than the loaned securities, (iii) the Funds may experience delays in recovery of the loaned securities or delays in access to collateral, or (iv) the Funds may experience losses related to the reinvestment of collateral. To minimize certain of these risks, the borrower must agree to maintain collateral with the Funds' custodian, marked-to-market daily, in the form of cash and/or U.S. government obligations, in an amount at least equal to 100% of the market value of securities. The value of the collateral requirement is determined based upon the closing price of a borrowed security, with the collateral balance adjusted the following business day. Although there is no

**KEELEY Funds, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**September 30, 2016**

specified time limit regarding how long a security may be on loan, the Funds or the borrower may request that a security on loan be returned at any time. If the Funds' request that a specific security be returned, and the borrower fails to return such security, the Funds will be able to retain the borrower's collateral.

As of September 30, 2016, KSCVF received cash collateral for the common stock out on loan of \$30,102,799 which is available to offset the market value of KSCVF securities on loan of \$30,102,799. The collateral amount received does not include excess collateral received, if any, which is included in the "Payable upon return of securities on loan" on the Statement of Assets and Liabilities. The investment of this cash collateral into a money market fund is presented in KSCVF's Schedule of Investments as "Investments Purchased with Proceeds from Securities Lending Collateral". KSDVF, KSMVF, KMDVF and KACVF did not have any securities on loan as of September 30, 2016 or during the year ended.

**3. INVESTMENT ADVISORY AGREEMENT**

The Corporation, on behalf of each fund, has entered into an investment advisory agreement (the "Agreement") with the Adviser, with whom certain officers and directors of the Corporation are affiliated, to furnish investment advisory services to that Fund. Under the terms of the Agreement, KSCVF pays the Adviser a monthly fee at the annual rate of 1.00% of the Fund's first \$1 billion of average daily net assets, 0.90% for net assets greater than \$1 billion but less than \$4 billion, 0.80% for net assets greater than \$4 billion but less than \$6 billion and 0.70% in excess of \$6 billion of the Fund's average daily net assets; and KSDVF, KMDVF, KSMVF and KACVF each pay the Adviser a monthly fee at the annual rate of 1.00% of the Fund's first \$350 million of average daily net assets, 0.90% for net assets greater than \$350 million but less than \$700 million and 0.80% in excess of \$700 million of the Fund's average daily net assets.

The Adviser has contractually agreed to waive a portion of its fees and/or reimburse expenses with respect to each Fund until January 31, 2017 (the "Expense Cap Agreement"), such that total expenses, exclusive of taxes, interest charges, dividend expenses incurred on securities that the Fund sells short, litigation expenses, other extraordinary expenses, deferred compensation expense, and brokerage commissions and other charges relating to the purchase and sale of the Fund's securities will not exceed the following amounts of average daily net assets of the respective Fund:

<u>Fund</u>	<u>Class A</u>	<u>Class I</u>
KSCVF	1.39%	1.14%
KSDVF	1.29%	1.04%
KSMVF	1.39%	1.14%
KMDVF	1.29%	1.04%
KACVF	1.39%	1.14%



**KEELEY Funds, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**September 30, 2016**

Any reimbursements or fee waivers made by the Adviser to a Fund are subject to repayment by the Fund, to the extent that the Fund is able to make the repayment within its Expense Cap Agreement. Under the Expense Cap Agreement, such recoupments must be made within three years following the fiscal year in which the Adviser reduced its compensation and/or assumed expenses for the applicable Fund. The Adviser did not recoup any fees previously waived or reimbursed under the Expense Cap Agreement over the period from October 1, 2015 to September 30, 2016. The table below indicates the amount of fees that the Adviser may recoup:

<u>Fund</u>	<u>Recovery Expiring on:</u>		
	<u>9/30/17</u>	<u>9/30/18</u>	<u>9/30/19</u>
KSCVF	N/A	N/A	\$235,940
KSDVF	\$66,820	\$221,409	207,565
KSMVF	79,119	127,837	134,054
KMDVF	57,540	104,098	160,020
KACVF	53,851	81,992	87,950

**4. DISTRIBUTION AND SHAREHOLDER SERVICING PLANS**

The Corporation has adopted a Distribution Plan (the "Plan") pursuant to Rule 12b-1 under the 1940 Act for the Funds' Class A shares. The Plan is designed to reimburse Keeley Investment Corp. (the "Distributor"), with whom certain officers and directors of the Corporation are affiliated, for certain promotional and other sales related costs and to permit the Corporation to compensate other dealers of its shares. Unreimbursed amounts may be carried forward and paid in a subsequent year, to the extent that total expenses under the Plan do not exceed 0.25% of the average daily net assets of a Fund. Each Fund paid the Distributor and each dealer a monthly fee at the annual rate of 0.25% of the average daily net assets of Fund shares beneficially owned by the Distributor's and each dealer's existing brokerage clients. The Plan may be continued in effect from year to year if such continuance is approved annually by the Board of Directors of the Corporation, including the vote of a majority of the Independent Directors. For the period from October 1, 2015 to September 30, 2016, KSCVF – Class A expensed \$1,907,462 in distribution fees, of which \$42,854 was paid to the Distributor; KSDVF – Class A expensed \$69,984 in distribution fees, of which \$2,940 was paid to the Distributor; KSMVF – Class A expensed \$141,816 in distribution fees, of which \$4,578 was paid to the Distributor; KMDVF – Class A expensed \$37,098 in distribution fees, of which \$3,189 was paid to the Distributor; and KACVF – Class A expensed \$56,721 in distribution fees, of which \$6,572 was paid to the Distributor. The distribution fees paid to the Distributor are unaudited.

**KEELEY Funds, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**September 30, 2016**

The Corporation has adopted a Shareholder Servicing Agreement for all of its Funds and their Classes. The Corporation has retained the Distributor to serve as the shareholder servicing agent for the Funds pursuant to a Shareholder Servicing Agreement. Under the Shareholder Servicing Agreement, the Corporation will pay the Distributor a monthly fee calculated at an annual rate of 0.05% of each Fund's average daily net assets for providing support services to investors who beneficially own shares of a Fund. The Shareholder Servicing Agreement may be continued in effect from year to year if such continuance is approved annually by the Board of Directors of the Corporation, including the vote of a majority of the Independent Directors. For the period from October 1, 2015 to September 30, 2016, the Distributor received \$630,975, \$53,811, \$88,947, \$34,356 and \$37,187 from KSCVF, KSDVF, KSMVF, KMDVF and KACVF, respectively.

**5. INVESTMENT TRANSACTIONS**

The aggregate cost of purchases and proceeds from sales of securities, excluding short-term investments, for the period from October 1, 2015 to September 30, 2016 were as follows:

<u>Fund</u>	<u>Other Investment Securities</u>	
	<u>Purchases</u>	<u>Sales</u>
KSCVF	\$440,038,904	\$1,109,893,456
KSDVF	28,210,073	65,898,877
KSMVF	64,720,519	157,907,758
KMDVF	39,301,368	33,160,121
KACVF	55,094,564	94,480,532

The Funds did not engage in any transactions in U.S. Government Securities during the period from October 1, 2015 to September 30, 2016.

For the period from October 1, 2015 to September 30, 2016, KSCVF, KSDVF, KSMVF, KMDVF and KACVF paid \$435,850, \$19,188, \$17,378, \$1,135 and \$36,568 (unaudited), respectively, in brokerage commissions on trades of securities to the Distributor.

**KEELEY Funds, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**September 30, 2016**

**6. FEDERAL INCOME TAX INFORMATION**

At September 30, 2016, gross unrealized appreciation and depreciation of investments, based on cost for federal income tax purposes, were as follows:

	<u>KSCVF</u>	<u>KSDVF</u>	<u>KSMVF</u>	<u>KMDVF</u>	<u>KACVF</u>
Tax Cost of Investments	\$895,071,006	\$84,468,403	\$114,232,625	\$72,868,339	\$55,570,834
Gross Unrealized Appreciation	\$259,092,639	\$22,014,732	\$ 42,841,847	\$19,772,347	\$10,361,297
Gross Unrealized Depreciation	(56,448,908)	(4,180,427)	(6,681,775)	(2,578,759)	(2,540,294)
Net Unrealized Appreciation/ (Depreciation) on Investments	<u>\$202,643,731</u>	<u>\$17,834,305</u>	<u>\$ 36,160,072</u>	<u>\$17,193,588</u>	<u>\$ 7,821,003</u>

The difference between cost amounts for financial statement and federal income tax purposes is due primarily to timing differences resulting from wash sale transactions during the year and due to the securities that were originally transferred in-kind for KSDVF.

At September 30, 2016, KSCVF, KSDVF, KSMVF, KMDVF and KACVF had net Post-October realized capital losses of \$0, \$499,900, \$0, \$3,079,221 and \$0 respectively, and late year ordinary losses of \$0,\$0, \$0, \$0 and \$0 respectively, from transactions between November 1, 2015 and September 30, 2016.

At September 30, 2016, the accumulated capital loss carryforwards for federal income tax purposes were:

<u>Fund</u>	<u>Capital losses expiring:</u>			
	<u>2017</u>	<u>2018</u>	<u>Indefinite ST</u>	<u>Indefinite LT</u>
KSCVF	—	—	—	—
KSDVF	—	—	—	—
KSMVF	—	—	—	—
KMDVF	(14,252,413)	—	—	—
KACVF	—	—	—	—

To the extent that a Fund may realize future net capital gains, those gains will be offset by any of their unused respective capital loss carryforwards. Under the Regulated Investment Company Modernization Act of 2010, capital losses incurred during fiscal years after 2010 are carried forward indefinitely and retain the character of the original loss. In addition, such losses must be utilized prior to the losses incurred in the years preceding enactment.

**KEELEY Funds, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**September 30, 2016**

The tax character of distributions paid during the fiscal years ended September 30, 2016 and 2015 were as follows:

Fund	Ordinary Income		Long-term Capital Gains		Return of Capital	
	2016	2015	2016	2015	2016	2015
KSCVF	\$1,204,971	\$2,413,851	\$186,064,651	\$ 5,423,705	—	—
KSDVF	\$2,143,473	\$2,428,892	\$ 5,170,259	\$ 8,000,297	—	—
KSMVF	\$ 883,288	\$2,372,947	\$ 7,252,099	\$27,844,041	—	—
KMDVF	\$ 862,794	\$ 455,109	\$ 1,454,214	\$ 516,112	\$154,941	—
KACVF	\$ 907,514	\$ 291,574	\$ 13,328,719	—	—	—

As of September 30, 2016, the components of accumulated earnings on a tax basis were as follows:

	KSCVF	KSDVF	KSMVF	KMDVF	KACVF
Accumulated Capital and Other Gains/ (Losses)	\$ (309,983)	\$ (512,081)	\$ (43,419)	\$(17,334,565)	\$ (11,610)
Undistributed Ordinary Income	5,655,157	—	386,727	—	162,789
Undistributed Long-Term Gain	49,096,014	1,716,392	8,992,750	—	1,852,648
Unrealized Appreciation/ (Deprecation) on Investments	<u>\$202,643,731</u>	<u>\$17,834,305</u>	<u>\$36,160,072</u>	<u>\$ 17,193,588</u>	<u>\$7,821,003</u>
Total Accumulated Gains/ (Loss)	<u>\$257,084,919</u>	<u>\$19,038,616</u>	<u>\$45,496,130</u>	<u>\$ (140,977)</u>	<u>\$9,824,830</u>

**7. OFFERING PRICE PER SHARE**

The public offering price for Class A shares is the net asset value plus a sales charge, which varies in accordance with the amount of the purchase up to a maximum of 4.50%. The public offering price for Class I shares is the net asset value.

The Distributor retains the entire sales charge when it makes sales directly to the public. Otherwise, when sales are made through dealers, the Distributor receives a portion of the related sales charge. For the period from October 1, 2015 to September 30, 2016, the Distributor earned \$23,607, \$3,361, \$1,798, \$1,084 and \$755 (unaudited) of the sales charges on behalf of KSCVF, KSDVF, KSMVF, KMDVF and KACVF, respectively. Sales charges are not an expense of the Funds and are not reflected in the financial statements of the Funds.

**8. LINE OF CREDIT ARRANGEMENTS**

The Corporation was a party to a \$300 million unsecured umbrella line of credit agreement with U.S. Bank, N.A., from October 1, 2015 to February 26, 2016. The Funds were able to borrow up to the lesser of (a) \$300 million in aggregate or (b) 10% of the net assets of the borrowing Fund. The Corporation

**KEELEY Funds, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**September 30, 2016**

is now a party to a \$150 million unsecured umbrella line of credit agreement with U.S. Bank, N.A., from February 27, 2016 to February 26, 2017. The Funds may borrow up to the lesser of (a) \$150 million in aggregate or (b) 10% of the net assets of the borrowing Fund. Interest is charged on borrowings at the prevailing Prime Rate. The Funds have borrowed under this agreement from time to time to increase the efficiency of cash flow management. For the period from October 1, 2015 to September 30, 2016, KSCVF, KSDVF, KSMVF, KMDVF and KACVF had average daily borrowings of \$453,918, \$190,044, \$43,331, \$5,653 and \$189,981 respectively, with an average borrowing rate of 3.39%. For the period from October 1, 2015 to September 30, 2016, KSCVF, KSDVF, KSMVF, KMDVF and KACVF had a maximum daily borrowing of \$39,258,000, \$6,689,000, \$2,030,000, \$577,000 and \$5,656,000, respectively. The Funds had no outstanding borrowings at September 30, 2016.

**9. OWNERSHIP BY AFFILIATED PARTIES**

As of September 30, 2016, affiliates of the Funds beneficially owned shares of the following Funds as set forth below:

	<u>KSCVF</u>	<u>KSDVF</u>	<u>KSMVF</u>	<u>KMDVF</u>	<u>KACVF</u>
	<u>CLASS I</u>	<u>CLASS I</u>	<u>CLASS I</u>	<u>CLASS I</u>	<u>CLASS I</u>
Shares	590,729	1,800,351	1,326,796	1,677,668	1,686,503
Percent of total outstanding shares	4.53%	39.55%	17.40%	45.70%	60.00%

**10. DEFERRED COMPENSATION PLAN**

A deferred compensation plan (the "Plan") is available to the Independent Directors on a voluntary basis. Deferred amounts remain in the Funds until distributed in accordance with the provisions of the Plan. The value of a participating Director's deferral account is based on the theoretical investments of deferred amounts, on the normal payment dates, in all the Funds available from the Corporation as designated by the participating Directors. Changes in the value of participants' deferral accounts are allocated pro rata among all Funds based on average net assets and are included in Directors' fees on the Statement of Operations. The portions of the accrued obligations allocated to the Funds under the Plan are included in other accrued expenses on the Statement of Assets and Liabilities.

**11. REORGANIZATION**

On January 27, 2016, KMDVF Class A and Class I acquired all the net assets of the KEELEY Mid Cap Value Fund Class A and Class I, respectively, pursuant to a Plan of Reorganization approved by KEELEY Mid Cap Value Fund shareholders on January 27, 2016. The purpose of the transaction was to combine two funds managed by Keeley Asset Management Company with

**KEELEY Funds, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**September 30, 2016**

comparable investment objectives and strategies. The acquisition was accomplished by a tax-free exchange of 929,592 and 1,863,147 shares of Class A and Class I, respectively, of KMDVF (valued at \$14,081,943 and \$28,220,546 for Class A and Class I, respectively) for all (1,099,257 and 2,189,879 shares, respectively) of the Class A and I shares outstanding of the KEELEY Mid Cap Value Fund on January 27, 2016. For financial reporting purposes, assets received and shares issued by KMDVF were recorded at fair value; however, the cost basis of the investments received from KEELEY Mid Cap Value Fund was carried forward to align ongoing reporting of KMDVF's realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes. KEELEY Mid Cap Value Fund's net assets at that date (\$42,302,489), including \$6,687,063 of unrealized depreciation, were combined with those of KMDVF. The aggregate net assets of KMDVF immediately before the acquisition were \$33,671,682. Because the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of KEELEY Mid Cap Value Fund that have been included in KMDVF's statement of operations since January 27, 2016.

Assuming the acquisition had been completed on October 1, 2015, the beginning of the annual reporting period of KMDVF, KMDVF's pro forma results of operations for the year ended September 30, 2016, are as follows:

Net investment income	\$ 937,446
Net realized gain on investments	13,161,546
Net increase in net assets resulting from operations	10,956,913

## 12. SUBSEQUENT EVENTS

On November 11, 2016, the Adviser entered into an agreement with Teton Advisors, Inc. ("Teton") to sell substantially all of its assets to Keeley Teton Advisors, LLC ("Keeley Teton"), a wholly-owned subsidiary of Teton (the "Transaction"). Closing of the Transaction remains subject to certain approvals and other conditions, including, as described below, approval of a new investment advisory agreement by the Corporation's Board of Directors and the shareholders of each Fund. Assuming all approvals and conditions are satisfied, the Transaction is expected to close in the first quarter of 2017.

Under the Investment Company Act of 1940, as amended, the closing of the Transaction would result in an "assignment" of the existing investment advisory agreement between the Adviser and the Funds, and, consequently, the automatic termination of that agreement. Therefore, in connection with the Transaction, the Board of Directors of the Corporation will be asked to consider and approve a new investment advisory agreement between the Corporation and Keeley Teton relating to each Fund. If the Board approves that new investment advisory agreement, a special meeting of the shareholders of the

**KEELEY Funds, Inc.**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**September 30, 2016**

Funds will be held to vote on whether to approve the agreement. Additional details will be contained in a proxy statement to be mailed to each of the Fund's shareholders in advance of the Funds' special meeting.

The Adviser has engaged the services of a proxy solicitor and will absorb all expenses related to the proxy solicitation and shareholder meeting, including legal fees and Director fees and expenses.

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of KEELEY Funds, Inc.:

In our opinion, the accompanying statements of assets and liabilities, including the schedules of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of KEELEY Small Cap Value Fund, KEELEY Small Cap Dividend Value Fund, KEELEY Small-Mid Cap Value Fund, KEELEY Mid Cap Dividend Value Fund and KEELEY All Cap Value Fund, (each an individual series of KEELEY Funds, Inc., hereinafter collectively referred to as the "Funds") at September 30, 2016, the results of each of their operations for the year then ended, the changes in each of their net assets for each of the two years in the period then ended and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at September 30, 2016 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Milwaukee, WI  
November 22, 2016



## KEELEY Funds Directors and Officers

### Independent Directors\*

Name, Age and Address as of December 31, 2015	Position(s) Held with each Fund	Term of Office <sup>(1)</sup> and Length of Time Served	Principal Occupation(s) During the Past Five Years	Number of Portfolios Overseen Within the Fund Complex	Other Directorships Held Outside the Fund Complex
Jerome J. Klingenberger <sup>(2)</sup> Age: 60	Chairman and Director	Chairman since 2006; Director since 1999	Executive Vice President and Chief Financial Officer (since 2006) of Grayhill, Inc. (human interface solutions)	5	None
Sean Lowry <sup>(2)</sup> Age: 62	Director	Director since 1999	Retired since 2015; previously Executive Vice President, Mortgage Services of Pacor Mortgage Corp. (1992-2015); Member of Chicago Board Options Exchange and Chicago Board of Trade (1974-1992)	5	None
Laura D. Alter Age: 55	Director	Director since 2014	Retired since 2010; previously Managing Director, Senior Partner, and Head of Fixed Income, Harris Investment Management (1994-2010); Fund Manager for Harris Insight Family of Funds (1994-2010)	5	None
John Freund Age: 71	Director	Director since 2016	Retired since 2015; previously, Managing Director at Citigroup (1998-2015)	5	None

### Interested Director and Officer\*

Brien M. O'Brien <sup>(3)</sup> Age: 59	Director	Director Since 2015	Executive Chairman of TA KAMCO LLC (since 2015), Joley Corp. (since 2015), and Keeley Asset Management Corp. (since 2015); President and Founder of Port Capital LLC (since 2014); Head of Asset Management of Piper Jaffray (2010-2014); Chairman, CEO and Co-Founder of Advisory Research, Inc. (1996-2014)	5	Manager of Port Capital LLC; Member of Board of Trustees of Boston College, University of Chicago Medical Center, Sheriff's Meadow Foundation and National Parks Service Foundation
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## KEELEY Funds Directors and Officers (Continued)

### Officers\*

Name, Age and Address as of December 31, 2015	Position(s) Held with each Fund	Term of Office <sup>(1)</sup> and Length of Time Served	Principal Occupation(s) During the Past Five Years
Kevin M. Keeley <sup>(2)</sup> Age: 49	President	Since 2015	President (since 2015) and Executive Vice President (2010-2015) of Joley Corp.; President (since 2015) and Executive Vice President (2010-2015) of Keeley Holdings, Inc.; President of Keeley Asset Management Corp. (since 2015); Senior Vice President of Keeley Asset Management Corp. and Keeley Investment Corp. (2010-2015).
Kevin Chin <sup>(2)</sup> Age: 51	Vice President	Since 2015	Chief Investment Officer of Keeley Asset Management Corp. (since 2015); Senior Vice President, Portfolio Manager of Keeley Asset Management Corp. (since 2013); previously, Senior Vice President, Portfolio Manager of Cramer Rosenthal McGlynn (1989-2012).
Robert M. Kurinsky <sup>(2)</sup> Age: 43	Treasurer, Secretary and Chief Legal Officer	Treasurer since 2007, Secretary since 2006 and Chief Legal Officer since 2008	Treasurer and Secretary of Joley Corp.; Treasurer and Secretary of Keeley Holdings, Inc.; Secretary, Treasurer, Chief Financial Officer and General Counsel of Keeley Asset Management Corp.; Secretary, Treasurer, Chief Financial Officer and General Counsel of Keeley Investment Corp.
Deanna Marotz Age: 51	Chief Compliance Officer	Since 2015	Chief Compliance Officer of Keeley Asset Management Corp. (since 2015); previously, Chief Compliance Officer of Invesco PowerShares Capital Management LLC (2008-2015).

\* The business address of the Directors and Officers listed above is the address of the Company: 111 West Jackson Boulevard, Suite 810, Chicago, Illinois 60604.

(1) Each Director serves an indefinite term until the election of a successor. Each Officer serves an indefinite term, renewed annually, until the election of a successor.

(2) Director or Officer who maintains brokerage account(s) with Keeley Investment Corp., the Company's principal underwriter, and/or advised account(s) with Keeley Asset Management Corp., the Adviser to the Funds.

(3) Brien O'Brien is considered an "Interested Director" of the Funds because of his affiliation with Keeley Asset Management Corp.

The Corporation's Statement of Additional Information ("SAI") includes additional information about the Corporation's Directors. The SAI is available, without charge, upon request by calling toll-free 1-888-933-5391.

## PRIVACY STATEMENT

Protecting your personal information is an important priority for us. The Funds' privacy policy is designed to support this objective. We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or on other forms; correspondence or conversations, such as your name, address, social security number, assets, income and date of birth.
- Information about your transactions with us, our affiliates or others, such as your account numbers and balances, transaction history, parties to transactions, cost basis information and other financial information.

The Funds restrict access to your nonpublic information by maintaining physical, electronic and procedural safeguards.

The Funds do not disclose any nonpublic information about their current or former consumers or customers to nonaffiliated third parties, except as permitted by law.

Keeley Investment Corp. is the Distributor and Keeley Asset Management Corp. is the Investment Adviser for the Keeley Funds. We may share your nonpublic information with affiliates who require such information to provide products or services to you. You may request that we not share your nonpublic information with our affiliates for use by them in marketing products or services to you by calling us toll-free at 1-888-933-5391. We will honor your choice until you tell us otherwise. If you have a joint account, your instruction will be applied to all account holders on that account.

## **Proxy Voting Policies and Procedure**

You may obtain a description of KEELEY Funds' proxy voting policies and procedures that the Funds use to determine how to vote proxies related to portfolio securities, without charge, upon request by calling 1-888-933-5391. This information also is included in KEELEY Funds' statement of additional information ("SAI"), which is available on the Funds' website at [www.keeleyfunds.com](http://www.keeleyfunds.com) and the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov).

Information relating to how each KEELEY Fund voted proxies relating to portfolio securities held during the 12-month period ended June 30, 2016 is available on the Funds' website at [www.keeleyfunds.com](http://www.keeleyfunds.com) and the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov).

## **Information About Portfolio Securities**

The Corporation filed a complete schedule of portfolio holdings with the Securities and Exchange Commission for the quarters ending December 31, 2015 and June 30, 2016 (the first and third quarters of the Funds' fiscal year) on Form N-Q. The Corporation's Forms N-Q are available on the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov). You also may review and copy those documents by visiting the Securities and Exchange Commission's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling the Securities and Exchange Commission at 800.SEC.0330.

## **Household Delivery of Shareholder Documents**

To reduce expenses, the Funds may mail only one copy of the Funds' prospectus, SAI and each annual and semi-annual report to those addresses shared by two or more accounts. If you wish to receive individual copies of these documents, please call the Funds at 888.933.5391 or contact your financial institution. You will begin receiving individual copies thirty days after receiving your request.

## **Electronic Delivery of Shareholder Documents**

You may choose to receive the KEELEY Funds' prospectus and annual and semi-annual reports electronically. To sign up for electronic delivery, visit [www.icsdelivery.com](http://www.icsdelivery.com) and select the first letter of your brokerage firm's name. Then, select your brokerage institution from the list that follows, fill out the appropriate information and provide an e-mail address where you would like your information sent. If your brokerage firm is not listed, electronic delivery may not be available. Please contact your brokerage firm or financial adviser.

*Investment Adviser*

**KAMCO**

**KEELEY ASSET MANAGEMENT CORP.**  
Chicago, Illinois

*Distributor*

**KEELEY INVESTMENT CORP.**

**KEELEY INVESTMENT CORP.**  
Chicago, Illinois

*Custodian*

**U.S. BANK, N.A.**  
**Milwaukee, Wisconsin**  
**888-933-5391**

*Transfer Agent and Dividend Disbursing Agent*  
**U.S. BANCORP FUND SERVICES, LLC**  
Milwaukee, Wisconsin  
888-933-5391

*Independent Registered Public Accounting Firm*  
**PRICEWATERHOUSECOOPERS LLP**  
Milwaukee, Wisconsin

*Counsel*

**Stradley Ronon Stevens & Young, LLP**  
Chicago, Illinois

Performance information quoted represents past performance and does not guarantee future results. The investment return and principal value of shares will fluctuate so that an investor's shares, when redeemed, may be worth more or less than its original cost. This material may only be used when preceded or accompanied by each Fund's prospectus.



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