

## **Keeley Asset Management Corp. Announces Launch of KEELEY Small-Mid Cap Value Fund**

Chicago, IL (October 26, 2007) – Keeley Asset Management Corporation (KAMCO) announced today the national launch of the KEELEY Small-Mid Cap Value Fund (the “Fund”). The Fund is a newly created series of Keeley Funds, Inc. and offers the flexibility of two distinct share classes, Class A (KSMVX) and Class I (KSMIX).

John L. Keeley, Jr., CFA, the firm’s founder and Chief Investment Officer, will serve as portfolio manager to the Fund. The Fund commenced operations on August 15th, 2007.

The Fund will be managed using the same corporate restructuring investment discipline as the firm’s highly-rated flagship product, the KEELEY Small Cap Value Fund (KSCVX), as well as the KEELEY Mid Cap Value Fund (KMCVX) and KEELEY All Cap Value Fund (KACVX).

“The Small-Mid Cap Value Fund is the natural evolution of our highly successful KEELEY Small Cap Value Fund. With our patient, long-term approach to stock selection, the added flexibility in market capitalization will be a strong complement to our other product offerings, specifically the Small Cap Value Fund,” says the Fund’s portfolio manager, John L. Keeley, Jr.

The Fund will not concentrate on any specific sector or industry and primarily invest in small and mid-cap stocks with market capitalizations of \$7.5 billion or less at the time of investment.

We are also pleased to announce the addition of a Class I (institutional) share to our fund family. “Due to the success of our current mutual fund lineup, the KEELEY Funds have become well known among both individual and institutional investors,” said Mark Keeley, Vice President. “The reduced expense ratio of the Class I share of the KEELEY Small-Mid Cap Value Fund should only increase our exposure and traction with institutional investors and registered investment advisors.”

**The annual operating expense ratio of the KEELEY Small-Mid Cap Value Fund’s Class I share is capped at 1.14% until September 30, 2008** and includes a 1.00% investment advisory fee on the first \$350 million, 0.90% on the next \$350 million and 0.80% over \$700 million on the balance of average daily net assets. The minimum initial investment is \$1,000,000 with a subsequent investment minimum of \$10,000. Institutional investors, such as defined contribution plans and registered investment

advisors may qualify for purchasing institutional shares with less than \$1 million per account, subject to certain specified conditions.

**The annual operating expense ratio of the KEELEY Small-Mid Cap Value Fund's Class A share is capped at 1.39% until September 30, 2008** and includes a 0.25% annual 12b-1 fee and a 1.00% investment advisory fee on the first \$350 million, 0.90% on the next \$350 million and 0.80% over \$700 million on the balance of average daily net assets. The minimum initial investment is \$1,000 for a non-retirement account, \$250 for an IRA. The minimum subsequent investment is \$50 for all account types.

The fund is administered by US Bancorp Fund Services, LLC and is distributed by Keeley Investment Corp., a member of FINRA and SIPC.

To learn more about KEELEY Small-Mid Cap Value Fund, please contact Mark Keeley, Vice President of KAMCO, at 312.786.5039 or [mkeeley@kic-kamco.com](mailto:mkeeley@kic-kamco.com)

Past performance does not guarantee future results. Investing in small and mid-cap stocks is more risky and more volatile than investing in large cap stocks.

*Investors should consider carefully the investment objectives, risks, management fees, and charges and expenses before investing. For a current prospectus which contains this and other information, call 888-933-5391 or visit [www.keeleyfunds.com](http://www.keeleyfunds.com). © October 2007, Keeley Investment Corp., 401 S. LaSalle Street, Suite 1201, Chicago, IL 60605*