Third Quarter 2018 Commentary

KEELEY Funds

Mid Cap Dividend Value Fund

The performance reflected herein is for the Class A shares without load. *"Without load" does not reflect the deduction of the maximum 4.50% sales fee (load), which reduces the performance quoted. Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The investment return and principal will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current to most recent month-end performance data may be obtained at www.KeeleyFunds.com*

This summary represents the views of the portfolio managers as of 9/30/18. Those views may change, and the Fund disclaims any obligation to advise investors of such changes. For the purpose of determining the Fund's holdings, securities of the same issuer are aggregated to determine the weight in the Fund. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities.

***The Fund's Inception date is October 1, 2011.**

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

Prior to investing, investors should carefully consider the Fund's investment objective, risks, charges and expenses as detailed in the prospectus and summary prospectus. To obtain a prospectus or a summary prospectus, call us at 800.533.5344 or visit www.keeleyfunds.com. The prospectus/summary prospectus should be read carefully before investing.

To Our Shareholders,

For the quarter ended September 30, 2018, The Keeley Mid Cap Dividend Value Fund's net asset value ("NAV") per Class A share rose 3.28% versus compared with a 3.30% gain for the Russell Mid Cap Value Index. For the year-to-date, the Fund is up 3.77% compared with a 3.13% increase for the benchmark.

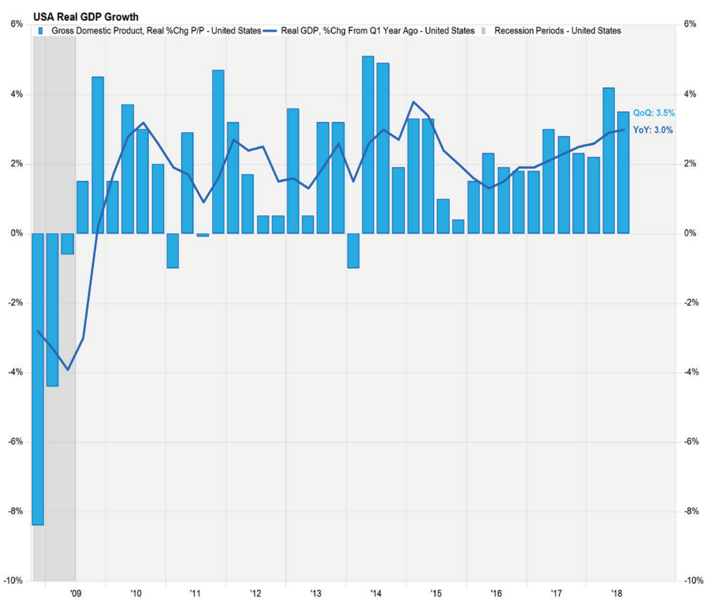
Commentary

As we move towards the end of the calendar year, the economy continues to signal domestic strength. Chief among these positive statistics is the unemployment rate, which has declined to 3.7%, the lowest level since the Vietnam War. Yet, despite tight employment conditions where many companies cite talent acquisition as a strategic concern, hourly earnings growth and inflation remain at modest levels, which we believe supports the case that the economy is not overheating. Corporate tax reform has boosted earnings growth and contributed to a general willingness for business investment. Likewise, the ISM Non-Manufacturing Index, which also encompasses orders and business activity, marked the highest expansionary reading since mid-2005.

Market Performance

As of September 30, 2018	3 Months	YTD	1-Year
S&P 500 Index	7.7%	10.6%	17.9%
Russell 3000 Value Index	5.4%	4.2%	9.5%
Russell 3000 Index	7.1%	10.6%	17.6%
Russell 2500 Value Index	2.7%	5.7%	10.2%
Russell Midcap Value Index	3.3%	3.1%	8.8%
Russell 2000 Index	3.6%	11.5%	15.2%
Russell 2000 Value Index	1.6%	7.1%	9.3%
Bloomberg Barclays Agg. Bond Index	0.0%	-1.6%	-1.2%

USA Real GDP Growth (Q4 2008 - Q3 2018)



Source: U.S. Bureau of Economic Analysis, Factset. Grey represents recession periods.

Stock indices, however, ended the quarter on the retreat after marking all-time highs earlier this summer. The impact was far more pronounced for small capitalization stocks. Reflecting back to the start of the year, the Trump Administration's opening of a two-front trade war—in China and North America—prompted investors to reallocate towards domestically-focused small caps, which are perceived to be more insulated from such matters. We were supportive of the insulation thesis and felt it provided a reason to remain bullish. Yet in the final days of the quarter, the Trump Administration rather quickly resolved the trade war on one front as NAFTA was restyled the US-Mexico-Canada Agreement (USMCA). Largely perceived by investors and companies as having "dodged a bullet", the new agreement should allow for minimal disruption to existing supply chains and provide reasonable protections, rather than the punitive repudiations implied by earlier rhetoric. With this achievement, and its contemplation as a template for China, small caps lost their perceived advantage over their larger, global brethren. We do remain concerned about the prickly sparring with China, predominantly over trade issues, recognizing both the exposure of technology supply chains and the threat to US consumers through higher price levels. We continue to proactively anticipate potential exposure among our holdings.

The Fund performed in line with its benchmark during the third quarter of 2018. While we strive to do better, this does not seem like a bad outcome when you consider that non-dividend paying stocks in the Russell MidCap Value Index outperformed the dividend paying stocks by over three percentage points (5.9% vs. 2.7%).

At the portfolio level, neither sector allocation nor stock selection decisions added or detracted much relative to the benchmark. A small underweight in the strong performing Industrials sector and a small overweight in cash were very slight detractors. Within specific sectors, the Fund's holdings in Financials, Real Estate, Technology, and Health Care outperformed those in the benchmark, while the Fund's holdings in Consumer Discretionary lagged.

Within the positive sectors, Financials were the largest positive contributor to relative performance. The sector's outperformance was led by long-time holdings Arthur J. Gallagher and Air Lease which both reported solid results. These gains offset declines in some of the Fund's bank stocks.

The Real Estate sector contributed about as much as Financials on a relative basis. Gains in the sector were led by Lamar Advertising, which reported good second quarter results. The Financials and Real Estate sectors did not increase significantly in the quarter. As a result, the Fund outperformed in those areas by posting modest gains. That was not the case in the Health Care and Information Technology sectors, which were two of the three best performing sectors, trailing only the Industrials sector.

Health Care was the second best performing sector in the Russell Mid Cap Value Index with a gain of more than 9%. While most of the Fund's positive contribution came from a strong showing by Cigna (discussed below), four of the Fund's five holdings performed as well as the sector or better.

The Fund's holdings in Information Technology also did well. Four of its holdings advanced more than 10% and were led by a 26% gain in Perspecta. This compares with an 8% gain in the technology holdings in the benchmark.

On the negative side, the Fund's holdings in the Consumer Discretionary sector disappointed. They were down about 4% compared to flat results for the Index. Autoliv accounted for most of the shortfall and is discussed below.

As we look to the end of the year 2018 and beyond, we do not think that the recent weakness is the start of a larger decline. That is not to say that a correction might not occur. We simply don't perceive conditions that would lead to a 40%-50% drop like we saw in the 2000-2003 and 2008-2009 time periods. Our outlook remains balanced. On the positive side the economy appears to be on solid footing and this should benefit corporate earnings. On the political side, while there seems to be a lot of noise, the Trump Administration appears to be making some progress on trade and security. On the negative side, some of that progress seems to come in "a one step back and two steps forward" manner. Other concerns include the remarkably easy credit market conditions, the likely impact of higher rates on US government budget deficits, and what we see as slightly elevated valuations for stocks.

Mid Cap Dividend Value Fund

Let's Talk Stocks

The top three contributors in the quarter were:

NRG Energy (NRG - $37.40 – NYSE) is an independent producer of electricity with a portfolio of 44 Gigawatts (GW) of conventional generation. It also sells retail energy in deregulated markets. The company has benefitted from a restructuring of operations to reshape the company which began over a year ago. This included the sell-off of non-core assets to reduce debt, a simplification of structure with the sale of an ownership interest in NRG Yield (now Clearway Energy, CWEN - $19.25 – NYSE), and other operational improvements to enhance margins. Management has successfully executed this plan which produced significant cash to be redeployed through share repurchases.

Cigna Corporation (CI - $208.25 – NYSE) is a large managed care company that provides health benefit plans to employers and Medicare plans to seniors, among other insurance products. Cigna shares fell earlier this year when it announced plans to acquire pharmacy benefits manager Express Scripts (ESRX - $95.01 – NASDAQ). Investors had anticipated that Cigna would buy a Medicare-related business or repurchase more of its own stock. During Q3, investors finally warmed to the deal, as management aggressively promoted its rationale. The stock moved higher after shareholders and the Department of Justice's Antitrust Division approved the pairing.

SM Energy (SM - $31.53– NYSE) is a mid-sized oil and gas exploration and production company with most of its core operations in the Permian Basin in Texas. Having sold most of its non-Permian Basin assets and using the proceeds to reduce debt, we believe that SM is well-positioned to benefit from an increase in oil prices. While West Texas Intermediate was relatively flat in the quarter, it was up more than 40% over the last year. This helps SM. Furthermore, the company continues to prove up its acreage position, thereby giving investors comfort in the underlying value of the company. Finally, a couple of other Permian Basin operators were acquired during the quarter, boosting investor's enthusiasm.

The three largest detractors in the quarter were:

EQT Corporation (EQT - $44.23– NYSE) is a natural gas exploration and production company operating in Appalachia. Several factors led to the weakness in EQT's stock price during the quarter. First, natural gas prices decreased late in the quarter after some earlier strength. In addition, the company's plans to spin off its midstream business in a transaction that we believe will uncover the value in its E&P business was delayed by a quarter. Finally, a pipeline that will serve as important takeaway capacity for EQT has been delayed for a couple quarters. This could pressure growth and earnings temporarily in 2019. These factors seem transient to us.

Autoliv Inc. (ALV - $86.68 – NYSE) is one of the leading global makers of seatbelts, airbags, and other passive safety equipment for automobiles and trucks. Autoliv recently completed the spin-off of its active safety business, Veoneer, a producer of radar, cameras, and software for driver-assist and autonomous vehicle applications. It is not uncommon for stocks to exhibit weakness on the heels of such transactions. In addition, flattening light vehicle sales growth and concerns about the impact of tariffs and other trade actions on auto sales weighed on the entire auto sector.

Vulcan Materials (VMC - $111.20– NYSE) is a leading producer of aggregates and other construction materials (asphalt, concrete, and calcium) for use in infrastructure and buildings. The longer than normal winter delayed the start and ramp-up of projects which led Vulcan to miss second quarter earnings expectations. This hangover, plus challenging weather in the third quarter, is leading to lower earnings this year as the lower volumes lead to lower margins as fixed costs are absorbed over fewer tons. Nevertheless, we believe that the outlook remains favorable as end-markets appear strong, pricing continues to improve, and the costs of the weather events should moderate.

Conclusion

In conclusion, thank you for investing alongside us in the KEELEY Mid Cap Dividend Value Fund. We will continue to work hard to justify your confidence and trust.

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The Fund's adviser has contractually agreed to waive a portion of its management fee or reimburse the Fund if total ordinary operating expenses during the current fiscal year as a percentage of the Fund's average net assets exceed 1.20% for Class A Shares and 0.95% for Class I Shares. The waiver excludes expenses related to taxes, interest charges, dividend expenses incurred on securities that a Fund sells short, litigation and other extraordinary expenses, brokerage commissions and other charges relating to the purchase and sale of portfolio securities. The waiver is in effect through February 28, 2020 and neither the Fund's adviser nor the Fund can discontinue the agreement prior to its expiration. **The expense ratios presented herein are for the Class A shares.

AVERAGE ANNUAL TOTAL RETURNS (as of 9/30/2018)

	KMDVX No Load	KMDVX Load	Russell Midcap Value
1 Year	10.47%	5.49%	8.81%
5 Year	11.60%	10.58%	10.72%
Since Inception**	15.71%	14.95%	16.22%

Expense Ratio (Gross)**	1.50%
Waiver/Expense Reimbursement**	-0.30%
Expense Ratio (Net)**	1.20%

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

Top Ten Holdings (Percent of Net Assets)
September 30, 2018

Name	Weight (%)	Name	Weight (%)
NRG Energy, Inc.	2.45%	Cigna Corporation	2.07%
Air Lease Corporation Class A	2.25%	ITT, Inc.	1.95%
FMC Corporation	2.15%	Total System Services, Inc.	1.93%
BOK Financial Corporation	2.12%	Comerica Incorporated	1.88%
DXC Technology Co.	2.11%	Vulcan Materials Company	1.85%

Performance attribution is commonly used to measure the quality of the separate decisions that go into the management of an investment portfolio compared to a benchmark index. This analysis tries to isolate the effect and measure the return contribution of market allocation, which analyzes the positive/negative impact of a portfolio's allocation to groupings such as geographic regions or market sectors, and stock selection, which analyzes the positive/negative impact of the portfolio manager's security ownership and weighting decisions within a wider grouping. The performance attribution data in this quarterly commentary was prepared by Keeley-Teton Advisors, LLC ("Keeley Teton") using the following constraints: (1) Fund portfolio holdings are as of the beginning of each day; index constituents are as of the end of the day. That means that the Fund's holdings are not included until the day after acquisition (when it is included in the portfolio as of the beginning of the next business day), and a portfolio holding that is sold is included in the analysis through the end of the day on which it is sold, and that the values at which securities are included in the analysis are the values as of the beginning of the day. For the index, securities are included at their values at the end of the day. (2) The securities' values used in the analysis are the prices used by Keeley Teton in its internal records for the Fund and the prices used by the index provider for the benchmark index. If a price from either of those sources is unavailable, pricing information from FactSet is used. Pricing information from the index provider or from FactSet may differ from the pricing information used by Keeley Teton. (3) Sector and/or industry classifications may change over time. The attribution information provided in this commentary includes summaries of attribution by market sector. Attribution is not precise and should be considered to be an approximation of the relative contribution of each of the sectors considered. The information on performance by sector reflects the aggregated gross return of the Fund's securities. Contributions to the Fund's performance by sector (computed as described above) were compared against the contributions to the aggregate return of the stocks comprising the index, by sector, as reported by FactSet Databases. Holdings returns for this commentary are calculated as total returns, which reflect any dividends or income earned during the period.

Mid Cap Dividend Value Fund

Data provided for performance attribution are estimates based on unaudited portfolio results. Performance contributors and detractors were not realized gains or losses for the Fund during the quarter. Market performance presented solely for informational purposes. The S&P 500 Index is designed to act as a barometer for the overall U.S. stock market. The index is unmanaged, consisting of 500 stocks that are chosen on the basis of market size, liquidity, and industry grouping. The S&P 500 is a market value weighted index with each stock's weight in the index proportionate to its market value. The Russell 2000® Value Index is an unmanaged index that measures the performance of the small-cap value segment of the U.S. equity universe and includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000® Index is an unmanaged index that measures the performance of the smallest 2,000 companies by market capitalization of the Russell 3000® Index. The Russell 2500® Value Index is an unmanaged index that measures the performance of the small to mid-cap value segment of the U.S. equity universe and includes those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2500® Index is an unmanaged index that measures the performance of the 2,500 smallest companies by market capitalization of the Russell 3000® Index. The Russell Midcap® Value Index is an unmanaged index that measures the performance of the mid-cap value segment of the U.S. equity universe and includes those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The Russell Midcap® Index is an unmanaged index that measures the performance of the 800 smallest companies by market capitalization of the Russell 1000® Index. The Russell 1000® Index is an unmanaged index that measures the performance of the 1,000 largest companies by market capitalization of the Russell 3000® Index. The Russell 3000® Value Index is an unmanaged index that measures the performance of the broad value segment of the U.S. equity universe and includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 3000® Index is an unmanaged index that measures the performance of the 3,000 largest U.S. companies by market capitalization.The Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. The S&P SmallCap 600® measures the small-cap segment of the U.S. equity market and is unmanaged. The index is designed to track companies that meet specific inclusion criteria to confirm that they are liquid and financially viable. The S&P MidCap 400® provides investors with a benchmark for mid-sized companies. The index, which is distinct from the large-cap S&P 500®, measures the performance of mid-sized companies reflecting the distinctive risk and return characteristics of this market segment. These Index figures do not reflect any deduction for fees, expenses or taxes, and are not available for direct investment. Securities in the Fund may not match those in the indexes and performance of the Fund will differ. The KEELEY Small-Mid Cap Value Fund, KEELEY Small Cap Value Fund, KEELEY Small Cap Dividend Value Fund and KEELEY Mid Cap Dividend Value Fund are distributed by G.distributors, LLC.

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