Small 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 12/31/18. 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 December 1, 2009.**

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 December 31, 2018, the KEELEY Small Cap Dividend Value Fund's net asset value ("NAV") per Class A share fell -18.63% versus an -18.67% decline for the Russell 2000 Value Index. For the full-year 2018, the Fund was down -16.57% compared with a -12.86% fall in the benchmark.

Commentary

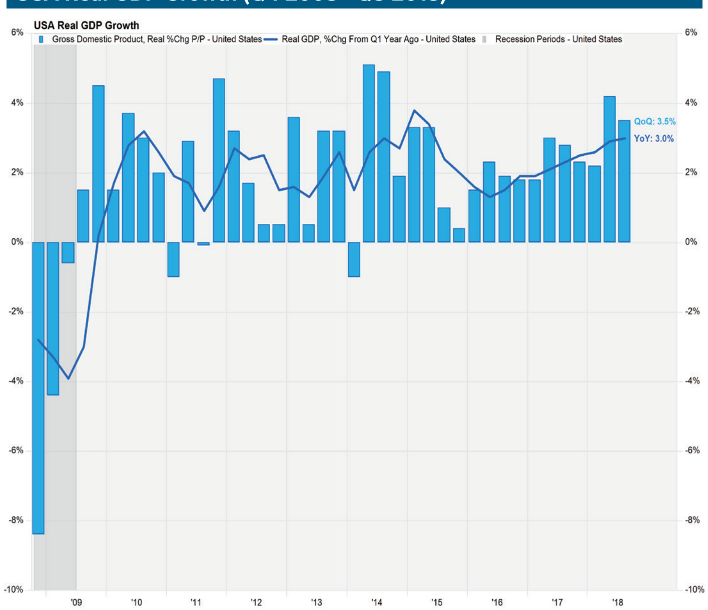
2018 was a year of extremes. January was the best start to the year since 1997 for the S&P 500. After a correction in early February, the market churned its way higher to record ten new all-time highs, the last coming in September. It was downhill from there.

Market Performance

As of December 31, 2018	3 Months	1-Year	3-Years
S&P 500 Index	-13.5%	-4.4%	9.3%
Russell 3000 Value Index	-12.2%	-8.6%	7.0%
Russell 3000 Index	-14.3%	-5.2%	9.0%
Russell 2500 Value Index	-17.1%	-12.4%	6.6%
Russell Midcap Value Index	-15.0%	-12.3%	6.1%
Russell 2000 Index	-20.2%	-11.0%	7.4%
Russell 2000 Value Index	-18.7%	-12.9%	7.4%
Bloomberg Barclays Agg. Bond Index	1.6%	0.0%	2.1%

Source: eVestment.

USA Real GDP Growth (Q4 2008 - Q3 2018)



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

Starting in late September, the market declined for most of the fourth quarter with the low for the quarter and year coming on Christmas Eve. The worst quarter in more than seven years closed out the worst year in the last ten. Small-cap stocks and value stocks performed worse than large-cap and growth stocks for the year, although value outperformed growth for the fourth quarter.

Both the early-year strength and the late-year weakness arose from developments in Washington DC, which changed investor perception of the economic outlook, without any real change to economic conditions and results. The strength of the market early in 2018 was driven by enthusiasm for the Tax Cuts and Jobs Act, which President Trump signed on December 22, 2017. As part of a larger tax reform initiative, corporate income taxes were lowered for the first time since 1993. For most US companies, this created an immediate boost to earnings and cash flow. Furthermore, the additional earnings could be reinvested to fuel economic growth, which could lead to even more earnings. With the economic cycle having surpassed a "normal" duration, it was hoped that the tax reform act could extend growth for another several years.

Just as in the January/February timeframe, the correction in the fourth quarter came after President Trump ratcheted up the probability that the United States would engage in a trade war with one or more foreign countries. In the earlier version, almost all of the US's important trading partners were targeted as the President proposed tariffs on a wide variety of goods coming from Europe, North America, and China. Some compromises with Europe and the USMCA (United States-Mexico-Canada Agreement, the New NAFTA) seems to have resolved issues with many of these parties, but the US/China trade war continued to simmer.

It became more serious in September when US tariffs of 10% on $200 billion of Chinese goods and Chinese tariffs on $60 billion of US exports went into effect. These measures combined with higher interest rates and slowing growth outside of the US have taken a toll on confidence. Consumer confidence in the US has fallen from its October highs and CEO confidence, as measured by the Conference Board, fell to its lowest level since 2012. The ISM Purchasing Managers indices also retreated during the fourth quarter.

So far, actual economic results have not mirrored the sentiment data. The latest jobs report showed a stunning 310,000 new jobs created during December. Furthermore, although the International Monetary Fund (IMF) recently lowered its forecast for global growth from 3.7% to 3.5% and several major banks have downgraded their 2019 forecasts in recent months, none predict a global recession on the horizon. We would generally concur with this view. Overall, we think that the economy will continue to muddle along. A couple of factors make this view a little more uncertain than usual. First, we assume that calmer heads will prevail in the trade standoff and that this issue will not escalate. If we are wrong about that, the economy will likely perform worse. Second, we assume that the government shutdown will be resolved before it damages the economic outlook. The longer it drags out, the riskier this underlying assumption becomes.

As we look ahead, we are more optimistic about the outlook for the stock market than usual. If both sticking points mentioned above are resolved favorably, the market could do well. Valuations were more attractive at year-end than they have been in a long time. The S&P 500 traded at 14.4x forward EPS, the lowest point since late 2013 and below its 15.7x average since 1999. For small-cap stocks, the valuation story is even more compelling. The Russell 2000 trades at 17.8x forward EPS, the lowest point since early 2013 and below the long-term (since 1999) average of 20.0x. Small cap value stocks are even more interesting with a forward P/E of 12.6x for the Russell 2000 Value index. This compares with a long-term average of 16.6x and is in the lowest quintile of its historic range. If investors come to believe that a deterioration in economic growth will not undermine company earnings, stocks look undervalued.

During the fourth quarter, the Fund performed in line with its benchmark. We regard this as slightly disappointing as the Fund has generally outperformed its benchmark during choppy quarters, often by significant margins. Furthermore, dividend-paying stocks outperformed non-dividend-paying stocks.

Two factors led performance to track below what we expect during choppy markets. First, in interest rate-sensitive sectors such as Financials, Real Estate, and Utilities, we have favored companies that benefitted from higher interest rates. As investors have come to anticipate a slowing of Fed rate increases, long-term rates fell during the quarter. This hurt stock performance of some of our banks. The second factor was company-specific weakness experienced by a handful of companies.

When we disaggregate performance into sector allocation and stock selection, we see a positive contribution to performance in sector allocation and a negative contribution from stock selection. The sector allocation benefit came from cash holdings. While they were not high, the large decline in the market produced a meaningful impact. Within stock selection, we saw the biggest impact in the Industrials sector, followed by Financials, Technology, and Materials. The weak sectors were offset by good stock selection within Health Care, Energy, Communication Services, and Real Estate sectors.

In the Industrials sector, three stocks accounted for most of the weakness, Astec Industries, John Bean Technologies, and Altra Industrial Motion. Astec and John Bean both reported lack luster third quarter earnings results, but Altra reported better than expected earnings and raised its full-year outlook. It recently completed a large acquisition in which the seller received stock and that may have created an overhang in a weak market.

The shortfall in the Financials sector resulted from weak performance in the Fund's bank stocks. One bank, Bank of NT Butterfield & Sons, was weaker than the others due to a third quarter earnings miss and some caution on its outlook for deposits. The other bank holdings disappointed on concerns about the end of the Fed tightening cycle and worries about economic growth.

In the Technology sector, Plantronics accounted for most of the sector underperformance as investors worried about its ability to integrate the recent Polycom acquisition. The declines in the Materials sector (the weakest in the index) were led by Mercer International and Compass Minerals. We discuss Mercer below while the weakness in Compass came from its struggles to ramp up production in the third quarter which will push out the benefits of its recent production modernization initiatives into late 2019.

Health Care led the positive sectors. The sector was the strongest for the Fund despite being the second weakest for the benchmark. The Fund only owns two stocks, and one of them, Ensign Group, appreciated in the quarter on good third quarter earnings results.

The Energy sector was the worst performing sector in the index with a more than 40% decline. The large decline in oil prices hurt Energy stocks, including those in the portfolio. The Fund's holdings declined slightly less, but one of our holdings, Berry Petroleum, was the Fund's worst performer and is discussed below.

Communications Services is a new sector in the index and comprises the old Telecommunications sector as well as the Media groups (including online) from the old Consumer Discretionary and Technology sectors. In the large-cap indices, this sector includes companies like Google, Facebook, Verizon, and Netflix, but in the Russell 2000 it is stocked with traditional media companies as well as some smaller online companies. The Fund's holdings in Nexstar Media and Cinemark Holdings held up better than those in the benchmark during the fourth quarter.

The Fund's Real Estate holdings also added value as they declined less than those in the index. CareTrust REIT and National Storage Affiliates led the way with CareTrust being the Fund's second-best performing stock.

Let's Talk Stocks

The top three contributors in the quarter were:

Virtu Financial (VIRT - $25.76 – NASDAQ) is one of the largest independent market-makers in stocks, bonds, and commodities. Virtu was the leading contributor in the quarter resulting from much better sentiment on the stock, better than expected earnings, and the announced acquisition of Investment Technology Group (ITG - $30.24 – NYSE). Management did a great job with its previous acquisition of Knight Capital Group exceeding the original synergy target giving the market confidence that management will hit or exceed the targets for the ITG deal. The stock also benefitted from a pickup in financial market volatility in the 4th quarter as investors anticipate the company will produce solid results.

Hamilton Beach Brands (HBB - $23.46 – NYSE) designs, manufactures, and sells small kitchen appliances, along with operating a small chain of retail kitchen supplies stores. The stock bounced back after a tough quarter as the higher expenses that plagued last quarter did not repeat. The company posted solid results in the core Hamilton Beach business with strong sales growth (+12%) and consolidated earnings were ahead of consensus.

CareTrust REIT (CTRE - $18.46 – NASDAQ) is a healthcare REIT focused on Skilled Nursing facilities (SNF), Assisted Living and Independent Living facilities. The company continues to post solid results, hitting or exceeding consensus estimates all year. Management remains very disciplined in its acquisition and underwriting strategy that continues to deliver consistent results. The underlying environment for healthcare REITs has improved as proposed reimbursement changes have been received favorably and the acquisition pipeline remains robust.

The three largest detractors in the quarter were:

Berry Petroleum (BRY - $8.75 - NASDAQ) is an independent oil exploration and production company. The sharp fall in oil prices made the Energy sector the worst performing sector on the market. Berry was caught in the downdraft despite good operating results and its strong hedge position for 2019. Nonetheless, since Berry's production costs are higher than average, its margins could be squeezed more than the average oil producer if oil prices remain low for an extended period.

Mercer International (MERC - $10.44 – NASDAQ) is one of the leading producers of NBSK (Northern Bleached Softwood Kraft) pulp which is used in tissue paper and specialty paper along with producing lumber through its wood products segment. The company started to come under pressure in the quarter due to ongoing concerns regarding the trade standoff between China and the US and the impacts to the Chinese domestic economy and ultimately consumer demand. Reported earnings did not help as the company missed consensus estimates as costs from extended maintenance downtime, timing of certain shipments into China, and a slowdown in US lumber pricing all contributed negatively. The longer-term outlook remains attractive as the company recently acquired additional mills which will increase pulp production by 40%.

Altra Industrial Motion (AIMC - $25.15 - NASDAQ) is a leading producer of gears and transmissions utilized by a wide range of industries and applications. AIMC declined after the closing its transformational acquisition of Fortive's Automation & Safety business due to market wide concerns about companies with levered balance sheets during the fourth quarter. While the company's debt is four times EBITDA in the wake of the deal, management expects to reduce leverage quickly to three times within two years. This would put leverage within the company's historical comfort range. Also, investors remained skittish regarding cyclical industries, with the company's legacy clutch business exposured to several off-highway markets which are viewed as highly cyclical.

Conclusion

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

KEELEY
Funds

Fourth Quarter 2018 Commentary

Small Cap Dividend Value Fund

The Fund's adviser has contractually agreed to waive a portion of its management fee or reimburse the Fund if total ordinary operating expenses during the current fiscal year as a percentage of the Fund's average net assets exceed 1.29% for Class A Shares and 1.04% 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 12/31/2018)

	KSDVX No Load	KSDVX Load	Russell 2000 Value
1 Year	-16.57%	-20.33%	-12.86%
5 Year	2.17%	1.23%	3.61%
Since Inception**	9.73%	9.18%	10.11%

Expense Ratio (Gross)**	1.62%
Waiver/Expense Reimbursement**	-0.21%
Expense Ratio (Net)**	1.41%

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)
December 31, 2018

Name	Weight (%)	Name	Weight (%)
Virtu Financial, Inc. Class A	2.56%	BancorpSouth Bank	2.10%
Ensign Group, Inc.	2.46%	Cypress Semiconductor Corporation	2.08%
Nexstar Media Group, Inc. Class A	2.45%	OUTFRONT Media Inc.	2.05%
Chemed Corporation	2.38%	CareTrust REIT Inc	2.04%
Atlantica Yield plc	2.11%	Wintrust Financial Corporation	2.01%

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.

Small Cap Dividend Value Fund

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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. 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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