



Small Mid Cap 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 3/31/19. 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 August 15, 2007.

Risks: Smaller and medium-sized company stocks are more volatile and less liquid than larger, more established company securities.

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,

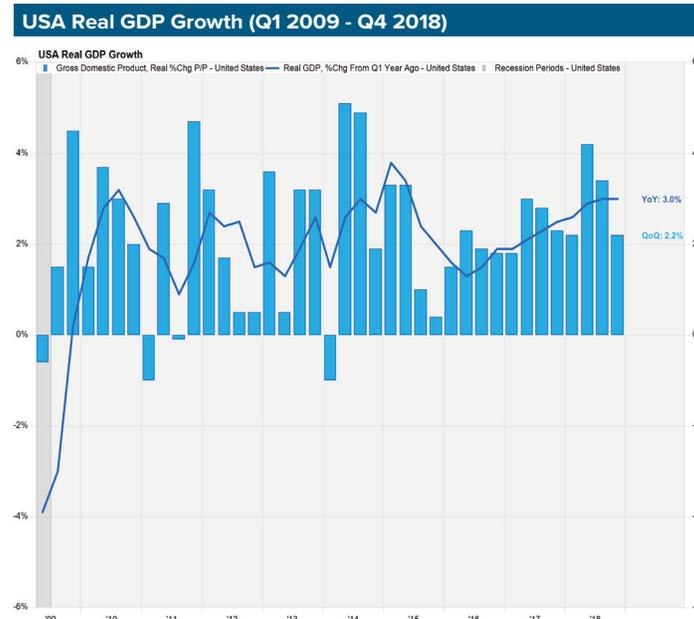
For the quarter ended March 31, 2019, the KEELEY Small-Mid Cap Value Fund's net asset value ("NAV") per Class A share increase 16.97% versus a rise of 13.12% for the Russell 2500 Value Index.

Commentary

Major indexes have now recouped almost all of the losses sustained in the final months of 2018, when fears over a potential economic slowdown sent global markets tumbling. The two primary fears that pummeled the market in December—escalating trade disputes and steadily rising interest rates—abruptly turned around in the first quarter. First, US and Chinese officials placed a stay on the second round of tariffs while negotiating towards a solution.

Market Performance			
As of March 31, 2019	3 Months	1-Year	3-Years
S&P 500 Index	13.6%	9.5%	13.5%
Russell 3000 Value Index	11.9%	5.3%	10.5%
Russell 3000 Index	14.0%	8.8%	13.5%
Russell 2500 Value Index	13.1%	1.8%	9.9%
Russell Midcap Value Index	14.4%	2.9%	9.5%
Russell 2000 Index	14.6%	2.0%	12.9%
Russell 2000 Value Index	11.9%	0.2%	10.9%
Bloomberg Barclays Agg. Bond Index	2.9%	4.5%	2.0%

Source: eVestment.



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

Second, the Federal Reserve acknowledged market concerns by signaling a hold to further interest rate hikes for the year, citing a diminished inflation outlook and slowing global growth (namely Europe). A dramatic shift post the December 20th rate hike where the outlook was still for five to six hikes in 2019. Concurrently, earnings guidance and expectations were lowered further continuing to reflect a slower Europe, slowing China and the absorption of both rounds of tariffs via pass-through pricing. With both of those exogenous threats receding, earnings expectations rebased lower, and valuations more reasonable after the storm in December, stocks posted their strongest first quarter in over a decade. The focus returned to companies that can outperform in an environment of economic growth, albeit at a moderating pace.

Much of this year's rally was driven by relief that central banks were backing off rate hike campaigns amidst slowing growth from the Eurozone to China. Consequently, long term interest rates have declined, with three-month U.S. Treasury bills slightly higher than the yield on



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ten-year U.S. treasury notes. Seen from this vantage point, the market paints a portrait of stability at this moment, balancing fading exogenous impacts with moderating economic growth, forming a reasonably positive environment for small caps.

The lingering question for stocks is whether this brush with fear has led to a change in the dynamics for global economies and how much could be trade-related impairment. Taking the manufacturing PMI (purchasing managers index) for the three main global economies, the most recent figures for March show stabilized, expansionary readings above 50 for the US and China (55.3 and 50.5, respectively) while the Eurozone marks thirteen months of sequential declines, ending in recessionary readings solidly below 50 (47.5 for the Eurozone and 44.1 for Germany). This representative snapshot overlaps similar narratives supplied by companies, underscoring the relative level of support for domestic-oriented small cap companies less dependent upon exports. U.S. nonfarm payrolls rose in March by 196,000, a strong showing. Wage gains eased with the unemployment near a 49-year low, at 3.8%.

The portfolio posted solid outperformance of almost 400 basis points relative to the Russell 2500 Value Index in the first quarter and we were most pleased to mark positive relative performance in each month of the quarter. The positive contribution was primarily from strong stock selection. This outperformance was spread broadly across sectors, with more than half attributed to our Tech and Industrial holdings. Within Tech, Versum (VSM) was our top performer, up 82% in the quarter. The company initially agreed to a stock merger with Entegris, but rival Merck KGaA emerged with a much higher, all cash offer. Being a spin-off from Air Products, Versum's takeover is an excellent example of the how the spin-off process creates pure play companies that become very attractive acquisition candidates for larger firms searching for growth, especially in this low global GDP, low interest rate environment. Five of the remaining six tech names outperformed or were in-line with the tech sector index returns. Our newest tech addition, GTY Technology Holdings (GTYH), was the only tech name down in the first quarter, though we feel this was due to non-fundamental issues (more detail below). The relative outperformance in Industrials was also broad based led by company specific factors as well as the trade and rate relief. Eight of our eleven holdings exceeded the industrial sector index returns with most up over 20% for the quarter. Financials, Communications Services, Consumer Discretionary and Real Estate made up the bulk of the remainder of the outperformance with only Utilities contributing a drag of any meaning. As the lower rates hurt the banks, our two holdings in the insurance space, AXA Equitable and Voya were both up over 20% given their equity market exposure. Nexstar Media was a top 3 performer (see details below) driving performance in Comm Services, while PVH Corp.'s announced restructuring of its Calvin Klein division plus strong results during the holiday season led to a 31% move in Consumer Discretionary. Real Estate was the 3rd best performing sector in the index due the lower rate outlook, but strong selection from our positions in the skilled nursing REITs (CareTrust and Sabra), gaming REITs, (VICI and Gaming & Leisure Properties), and Ryman Hospitality led to outperformance.

On the negative side, it was only the Utilities sector that had any meaningful underperformance. The sector lagged on the bounce after performing well in the fourth quarter, but it was our large position in NRG Energy, up only 7% in the quarter, that held back our performance. NRG is in the final stages of its business transformation and has been a very strong contributor to the Fund for several years in a row.

Let's Talk Stocks

The top three contributors in the quarter were:

Versum Materials, Inc. (VSM - \$50.31 - NYSE), a fairly recent spin-off from Air Products (APD), is a leading maker of chemicals used in the production of semiconductors and other electronics. Its stock appreciated sharply during the quarter after it received an acquisition offer from Entegris (ENTG) for cash and stock. Afterwards,



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competitor Merck KGaA topped that offer with a \$53 cash proposal.

Nexstar Media Group, Inc. (NXST - \$108.37 - NASDAQ) is one of the largest owners of television broadcasting stations. Shares performed well in the quarter after falling sharply at year-end. Nexstar has been reporting solid results over the last year as it took out cost from and integrated operations acquired from Media General. In addition, political advertising was very strong in the fourth quarter and helped to drive upside. Most importantly, the company has made significant progress toward completing the conditions necessary to close its acquisition of the Tribune Media stations. The Tribune deal should be nicely accretive to earnings over time.

WEX Inc. (WEX - \$191.99 - NYSE) provides payment processing and information management services for Fleet Solutions, Travel and Corporate Solutions, and Health and Employee Benefits Solutions. In layman's terms, WEX offers credit cards to employees of its clients simplifying and controlling their spend. In Fleet Solutions (the largest division), truck drivers are given cards instead of cash to manage spend for fuel on routes. This is safer for the driver, plus the card has to be used at certain gas stations, where WEX's scale of cardholders enables them higher discount on gas purchases. In addition, the data from the card could be better tracked for the customer's information use. As a result, WEX's stock has historically tracked gas prices and with oil's 32% rise in the first quarter, WEX's correlation did not disappoint. In addition, WEX's diversification into other non-gas related businesses, Travel and Corporate Solutions and Health and Employee Benefits, are now at scale and driving solid growth.

The three largest detractors in the quarter were:

GTY Technology Holdings, Inc. (GTYH - \$8.80 - NASDAQ) was a blank-check, special purpose acquisition vehicle that recently acquired six software-as-a service (SaaS) companies focused on state and local governments. The cloud and SaaS revolution are ripe for this market that does not have the expertise or manpower to implement and run all of these software functions, nor the budgets for the large upfront software license fees and hardware. State and local government can dramatically improve the digital experience for their constituents, such as enabling on-line payments (parking tickets, real estate taxes), on-line applications and quicker response times for grant applications and building permits, while also benefitting from lower IT expense, better workflow management, and population of data accessible to all agencies. GTYH was founded by William Greene, former CEO of Accenture; Joe Tucci, former CEO of EMC; and Harry You, former Chairman of DellEMC, CEO of BearingPoint and CFO of Oracle. The CEO, Stephen Rohleder, was the former Head of Accenture's Public Services Group. The acquisitions closed in late February and with limited liquidity plus no analyst coverage as of yet, the stock has had no sponsorship leading to its underperformance in the quarter.

Valvoline Inc. (VVV - \$18.56 - NYSE) is engaged in producing, marketing, and supplying engine and automotive maintenance products worldwide, primarily engine oil and lubricants. The company has three divisions: 1) Core North America sells these products to do-it-yourself (DIY) auto retailers as well as installers who then use the product to provide the service to consumers, 2) Quick Lubes – owned and franchised service centers that use the product to perform the service on the customer's vehicles, and 3) International – sells the products to retailers, JV partners and distributors. Earnings at Core North America missed due to higher retailer promotions hurting price which continued to raise the concern about losing share to private-label. The company is reducing costs and will re-emphasize its value-add in the less competitive, premium oils. In addition, the value creation story for VVV is the growing Quick Lubes business which is now over 50% of the profitability of the entire company.

Lamb Weston Holdings, Inc. (LW - \$74.94 - NYSE) is one of the largest producers of frozen potato food products (French fries and other starchy goodness). Through both solid demand, particularly from North American quick-service restaurants (QSRs), and steady price increases, Lamb Weston has continued to exceed consensus expectations since its spin-off from ConAgra Foods. With Lamb Weston a top 3 performer in the difficult fourth quarter, it did not participate in the rebound in the first quarter. For the first quarter, the Consumer Staples sector was the worst performing sector in the index. The underlying dynamics facing the company remain favorable with increased per capita consumption globally of potato products. In addition, a number of U.S. QSRs, like McDonald's



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First Quarter 2019 Commentary

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reported good earnings and impressive same-store sales numbers highlighting that the strong employment levels are leading for more dining out.

Conclusion

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

April 15, 2019



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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 1.39% for Class A Shares and 1.14% 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 3/31/2019)

	KSMVX No Load	KSMVX Load	Russell 2500 Value
1 Year	-3.06%	-7.42%	1.84%
5 Year	3.96%	3.01%	6.02%
10 Year	16.24%	15.71%	15.03%
Since Inception**	6.96%	6.54%	7.26%
Expense Ratio (Gross)**		1.47%	
Waiver/Expense Reimbursement**		-0.08%	
Expense Ratio (Net)**		1.39%	

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) March 31, 2019

Name	Weight (%)	Name	Weight (%)
NRG Energy, Inc.	3.61%	WEX Inc.	2.27%
Nexstar Media Group, Inc. Class A	2.93%	CareTrust REIT Inc	2.27%
Copart, Inc.	2.52%	Diamondback Energy, Inc.	2.23%
ESCO Technologies Inc.	2.49%	Air Lease Corporation Class A	2.23%
KBR, Inc.	2.29%	John Bean Technologies Corporation	2.16%

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. Prior to September 30, 2016, holdings returns were based upon price percentage change.



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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. 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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