KEELEY Funds

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 12/31/19. 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 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, 2019, the KEELEY Small Cap Dividend Value Fund's net asset value ("NAV") per Class A share rose 5.55% versus an 8.49% gain for the Russell 2000 Value Index. During the full-year 2019, the Fund gained 22.36% compared with a 22.39% gain for the benchmark.

Commentary

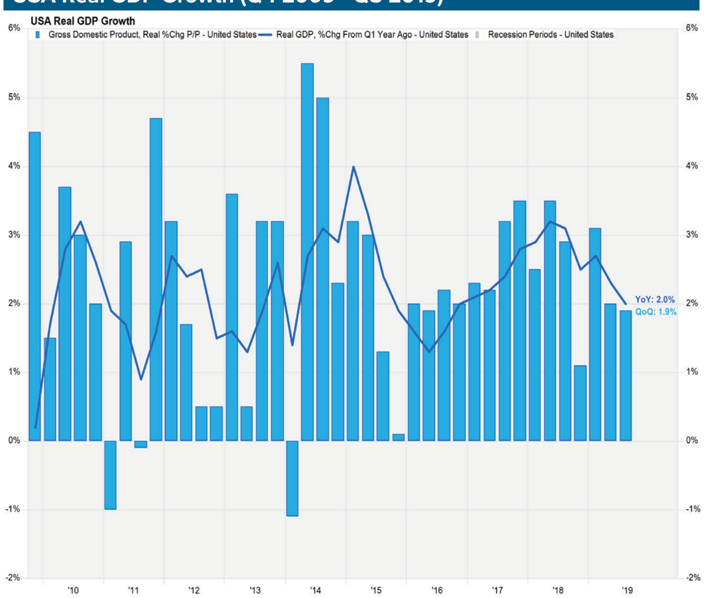
After limping into the end of 2018, the market bounced back in the first quarter and never looked back. As measured by the S&P 500 (or any other Index for that matter), the market rose in all four quarters, historically the market has had this outcome in almost 30% of past calendar years. The S&P 500's full-year total return of more than 31% is its 11th best year since 1940. By these metrics, the end of the second decade of this millennium was exceptional for the stock market.

Market Performance

As of December 31, 2019	3 Months	1-Year	3-Year
S&P 500 Index	9.1%	31.5%	15.3%
Russell 3000 Value Index	7.5%	26.3%	9.3%
Russell 3000 Index	9.1%	31.0%	14.6%
Russell 2500 Value Index	7.1%	23.6%	6.1%
Russell Midcap Value Index	6.4%	27.1%	8.1%
Russell 2000 Index	9.9%	25.5%	8.6%
Russell 2000 Value Index	8.5%	22.4%	4.8%
Bloomberg Barclays Agg. Bond Index	0.2%	8.7%	4.0%

Source: eVestment.

USA Real GDP Growth (Q4 2009 - Q3 2019)



Source: U.S. Bureau of Economic Analysis, Factset.

The fourth quarter helped drive these strong gains with a 9.1% total return for the S&P 500. A combination of better economic readings and progress in reaching a trade deal with China drove performance, as it did for much of the year. Growth outperformed Value, and for the first time since the second quarter of 2018, small-caps outperformed large-caps, although it was only by 10bps. Mid-caps lagged, interest-sensitive sectors like REITs and Utilities underperformed. Non-dividend paying stocks significantly outperformed dividend-paying stocks.

A year ago, the debate in the market revolved around the potential impact from the government shutdown, an escalating trade war with China, and whether the Fed had gone too far (or would go too far) in raising rates. While the government shutdown ended up being the longest on record, it did not seem to have much short-term impact on the economy and certainly did not throw the US into a recession. The trade dispute with China probably did slow economic growth, but the general perception of progress in resolving this dispute dampened the impact. Furthermore, the progress made in the fourth quarter which culminated in the announcement of a "Phase One" deal likely contributed heavily to fourth quarter gains. The question about the Fed raising interest rates was answered early in 2019 when it signaled that it would be on hold. This concern was put to rest in the middle of the year when it cut rates for the first of what would be three rate cuts.

The future course of the US economy is likely to have a big impact on the markets. After negative readings from September 2008 through June 2009, the US posted growth in the third quarter of 2009 to start the recovery/expansion. While there have been some negative quarters since, they have not been consecutive and so the economy has not fallen into the definition of a recession. This is now the longest period of expansion since the government started keeping reliable records. With unemployment near historic lows, investors have wondered how much longer the expansion can continue. We think the economy is stable and should continue to grow. While this expansion has been long in duration, the slope of it has lagged most other recoveries, there should be room for continued growth. We are not seeing some of the cost pressures that typically arise when the economy is at an advanced stage in the expansion. The most worrisome is labor costs, but growth in the labor force participation rate seems to be offsetting much of the wage pressure that generally comes from a low unemployment rate. Commodity costs are up some from a year ago, but not much changed over the last five years. Finally, economies outside the US seem to be seeing better prospects. All in all, the economy looks okay, although not robust.

Whatever the outcome of the upcoming Presidential election, 2020 promises to be an interesting year. It is also likely to be a year in which the parts of the stock market in which we traffic (small- and mid-cap value) do relatively better. We have talked in past letters about the relative attractiveness of small-caps vs. large-caps and value stocks vs. growth stocks. These comments remain applicable as the multiples for small-cap stocks relative to large-cap stocks are at the low-end of their historical ranges. This advantage did not help again in 2019, but we believe it will eventually work.

An interesting observation we have that many people do not talk about is the outperformance of value stocks in Presidential election years. In fact, since 1980, the Russell 2000 Value Index has outperformed the Russell 2000 Growth Index in all Presidential election years. In larger stocks (Russell 1000), value beat growth in eight of the ten Presidential election years. In addition, small-caps beat large caps in seven of the ten election years. While streaks are broken all the time (UNC basketball recently lost to Clemson at home after 59 consecutive wins!), the combination of relative valuation and history makes us optimistic about the year ahead, at least from a relative perspective.

Portfolio Results

The Keeley Small Cap Dividend Fund had one of its more challenging quarters and performance in the second half offset the first-half's strong results. Part of the challenge this quarter was the make-up of the move in the market. Specifically, higher beta stocks led the move higher. That should be expected, but the degree of the move was well beyond what the definition of beta would suggest. According to Jefferies Research, the highest quintile of stocks in the Russell 2000 Value Index rose 14.7% compared with 8.49% for the Index as a whole, and 1.7% for the lowest quintile. With the Fund's beta at about 0.9 and few of the Fund's holdings in the top quintile of beta (>1.3), the risk-on environment created some performance challenges.

We also made some mistakes as the Fund had eight stocks fell more than 10% which is too many in a quarter when the market is up more than 8%. We discuss some of these stocks below. The Fund outperformed in two sectors, lagged in five, and four were a push. The Fund added value in the Consumer Discretionary and Utilities, while

Technology, Real Estate Energy, Materials, and Health Care detracted from relative performance.

- The Consumer Discretionary sector was the biggest contributor to relative performance. Within the sector, the Fund's holdings provided a wide range of outcomes as Winnebago, Marriott Vacations, and Kontoor Brands each rose more than 20% in the quarter while Jack in the Box and Culp each fell more than 10%.

- The Fund's Utilities holdings rose modestly during the quarter while the Utility stocks in the Russell 2000 Value fell. Four out of the five stocks rose with the star being Atlantica Yield. Allete was the lone stock to decline.

- While the Fund's Technology holdings rose nearly 10% in the quarter, they badly lagged the 21% gain for Technology stocks in the Russell 2000 Value Index. Strong gains by AVX and KBR (discussed below) were not enough to offset a steep drop in Plantronics (also discussed below) and keep up with the underlying strength in the sector.

- The Fund's holdings in the Real Estate sector declined whereas the Real Estate stocks within the Index increased in value. Two healthcare REITs, Sabra and CareTrust, were the primary sources of weakness. They tend to be more interest-rate sensitive than many REITs and the flattening out of rates in the fourth quarter led to weakness in REITs (and Utilities as well). In addition, both stocks had done well though the first nine months as Sabra ended the year with a 41% gain and CareTrust returned 16%.

- All three of the Fund's holdings in Energy trailed the sector's performance within the Index. The biggest detractor was Berry Petroleum, which fell after the state of California proposed new restrictions on drilling and production operations. The Fund's holdings in Evolution Petroleum and Delek US also fell slightly.

- The Materials sector was the third strongest in the Index on strength in steel and other metals stocks due to the perceived thawing in US/China trade relations. The Fund did not hold any metal stocks and stocks it held that should benefit from this same trend, Olin and Mercer International, did not respond favorably yet.

- While the Fund's holdings in Ensign and Chemed did not contribute enough to returns and we sold the Pennant shares that were spun out of Ensign too early, the bigger driver of the Fund's underperformance in the Health Care sector was the stocks it did not own. A little more than half the Index's weight in the Health Care sector is in Biotechnology and Pharmaceuticals, none of which pay dividends. These sectors were up 42% and 24%, respectively and accounted for more than 80% of the sector's contribution to the Russell 2000 Value's performance.

The Fund added four new holdings, liquidated four holdings, and had one holding converted on a merger.

Let's Talk Stocks

The top three contributors in the quarter were:

KBR, Inc. (KBR - $30.50 – NYSE) operates two similar but unrelated businesses; Government Solutions which provides outsourcing services to government entities (mostly the US Government), and Energy Solutions which provides engineering, construction, and maintenance services to global energy and utility companies. Shares performed well during the fourth quarter due to solid third quarter results, strong bookings in both businesses, and continued progress in completing and resolving a troubled Energy Solutions project.

Altra Industrial Motion (AIMC - $36.21 – NASDAQ) is a diversified manufacturer of off-highway vehicle components and material handling parts and systems. After a sharp drop in the third quarter due to disappointing second quarter earnings, Altra's shares rebounded in the fourth quarter. It reported better-than-expected third quarter results with improving cash flow. This should allow the company to pay off some of the debt it took on to buy Fortive's Automation and Specialty business in late 2018. The resulting leverage reduction should improve earnings and likely give the valuation a lift.

AVX Corporation (AVX - $20.47 – NYSE) is a leading maker of capacitors and other electronic components. Shares rose more than 35% in the quarter after majority-owner Kyocera proposed acquiring the company for $19.50/share in cash. While a final deal has not been struck, we believe that one will be completed.

The three largest detractors in the quarter were:

Plantronics Inc. (PLT - $27.34 - NYSE) is a leading maker of communications endpoints. Specifically, it is among the leading makers of telephony and computer headsets, audioconferencing equipment, and video conferencing equipment. The stock performed poorly in the fourth quarter after the company reported disappointing calendar third quarter earnings and lowered earnings guidance for the rest of its fiscal year. While the company has a robust new product pipeline, it appears to be struggling with product transition issues in several of its product segments. This has left it with too much inventory at its dealers which will take some time to work through which impacts sales going forward.

Granite Construction (GVA- $27.67 - NYSE) provides construction and infrastructure solutions for the Transportation, Water, and Materials sectors. This marks the second quarter in a row that Granite is one of our bottom contributors as its struggle with large, legacy, fixed-priced projects continued. This was a surprise to us (and the market) given the confidence that management had expressed heading into the quarter that no additional write-downs were anticipated. This confidence was premature as management announced on the earnings call that a write-down was required once again sending shares down 28% on the day. Management is finally taking steps to fix this segment by changing management and strategy surrounding future project bidding including limiting project size. While these changes are welcomed, the lack of full resolution of these troubled projects, as well as management's inability to consistently forecast near-term business trends caused us to move on.

Covanta Holding (CVA - $14.84 - NYSE) is a leader in sustainable waste-to-energy solutions with a global network of over 50 energy-from-waste and material processing facilities around the world. Shares were under pressure this quarter due to worries about recycled metals pricing which have been declining all year putting pressure on top-line results despite higher volumes. Helping to offset some of these concerns is Covanta's core energy-from-waste business which has picked up the slack on the back of record waste-tons processed and steadily increasing tip fees. The lack of landfill capacity in the northeastern US is driving consistent demand for Covanta's services. Additionally, Covanta's international pipeline for constructing energy-from-waste facilities got a boost with the recent announcement that it will build a facility in China. This region offers the biggest opportunity for these types of facilities across the world. Curbing some of this enthusiasm is investors' concern with Covanta's debt load standing at roughly 6x. However, management is extremely confident that the company has the necessary liquidity to finance these projects.

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 2019 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 12/31/2019)

	KSDVX No Load	KSDVX Load	Russell 2000 Value
1 Year	22.36%	16.82%	22.39%
5 Year	5.36%	4.40%	6.99%
10 Year	10.71%	10.21%	10.56%
Since Inception**	10.92%	10.42%	11.27%
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, 2019

Name	Weight (%)	Name	Weight (%)
Nexstar Media Group, Inc. Class A	2.93%	Sabra Health Care REIT, Inc.	2.21%
Atlantica Yield plc	2.76%	Primoris Services Corporation	2.01%
KBR, Inc.	2.68%	OceanFirst Financial Corp.	1.99%
Chemed Corporation	2.32%	South Jersey Industries, Inc.	1.91%
OUTFRONT Media Inc.	2.31%	Ensign Group, Inc.	1.84%

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

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by Keeley Teton. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

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 Dividend Value Fund and KEELEY Mid Cap Dividend Value Fund are distributed by G.distributors, LLC.

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