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 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 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 December 31, 2019, the KEELEY Small-Mid Cap Value Fund's net asset value ("NAV") per Class A share increased 9.64% versus a gain of 7.07% for the Russell 2500 Value Index. During the full-year 2019, the Fund gained 31.65% versus 23.57% for the Russell 2500 Value Index.

Commentary

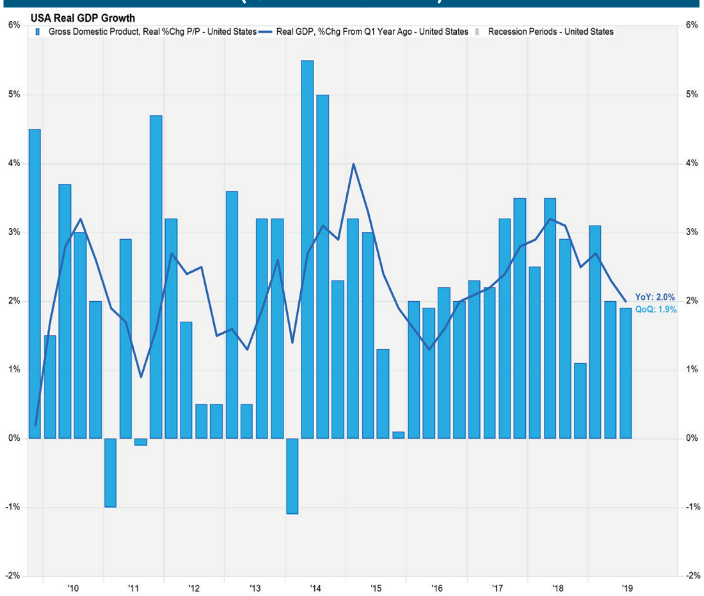
The old adage, "Don't fight the Fed" remains true. With the Fed on hold given the dovish bias for 2020, plus the outlook for renewed growth in trade/capital spending as the uncertainty is lifted with Phase I of the China/US trade agreement, the market posted another strong quarter in a row. The environment was a complete reversal of the fourth quarter last year. As we exited 2018, markets tumbled over worries about rising interest rates, slowing economic growth, an escalating trade war and an aging bull market. The Federal Reserve Board, however, reversed course in its monetary policy by cutting rates, fueling strong stock market gains across most sectors. At its December meeting, the Fed held interest rates steady and signaled no appetite to raise them soon. After lowering rates at three previous meetings to buffer the U.S. economy from the effects of trade tensions and a global slowdown, Fed officials voted unanimously to leave the Fed Funds rate between 1.5% and 1.75%. Moreover, the Fed indicated rates would remain unchanged through 2020 with a 2% inflation target. Underpinning the Fed's apparent confidence in U.S. economic growth was the strong November jobs report showing a better than expected 266,000 workers added to nonfarm payrolls. Together with upward revisions to October payrolls, was a drop in the unemployment rate to 3.5% and higher, though still benign, wage growth, a harbinger of healthy consumer spending.

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.

As we look forward to 2020, we would expect some deceleration in U.S. gross domestic product growth from its current estimate of 2.3% for 2019, compared with growth rates of 2.9% in 2018 and 2.4% in 2017. Moreover, the first stage trade deal between the U.S. and China, announced in mid-December, should foster a rebound in corporate capital investment and business spending on software, research and development, which was constrained by U.S./China trade tensions. The limited agreement calls for China to purchase more products from American farmers and other exports. In return, the U.S. put the brakes on new tariffs set to take effect on December 15. The worst of the manufacturing downturn is likely over as evidenced by the November Purchasing Managers Index (PMI), which increased to 50.3, rising for the fourth consecutive month, though the Institute for Supply Management Index (ISM) has remained weak.

Monetary easing by Global Central Banks, meanwhile, should support the economic cycle well into 2020 and beyond. The European Central Bank, Bank of Japan and the Fed are all expanding their balance sheets aggressively. Against this backdrop, we believe equities should continue to deliver decent, albeit muted, returns in the year ahead. While overall valuations have been stretched, the value trade is still in the early innings, following more than a decade of underperforming growth. Small cap stocks have also lagged their larger counterparts in the stock market for three years in a row. Earnings growth will be the critical driver of stock returns in 2020 as essentially all of the performance gains in 2019 were driven by multiple expansion (valuation). The global growth recovery in capital expenditures should benefit many of our industrial holdings, which have sustained slowdowns in their order books as the inventory correction has rippled through the supply chain, partially attributable to the trade war with China. Consumer Discretionary should also do well with the strong employment outlook while Financials should benefit from loan growth and yield curve steepening. Lastly, we have seen an uptick in merger and acquisition activity, which we expect to continue into 2020, as further clarity in trade, the economy and eventually, the US Presidential election take hold.

Portfolio Review

In the fourth quarter, positive stock selection was the key driver of portfolio outperformance. Sector allocation also added to relative performance as we were underweight Real Estate, the second worst performing sector in the Index while being overweight Technology and Consumer Discretionary, the first and third best performing sectors of the Index.

The fourth quarter was interesting as both Value and Growth factors outperformed with the Fed remaining on hold and Phase I of a trade agreement with China leading to a risk-on, cyclical rally. On the value-side, we continued to see a rotation back as investors searched for ideas that have lagged in the strong up market. This return to rational, fundamental investing led to buying demand of our neglected, restructuring stories whose stock prices were de-risked, already discounting worse case scenarios. Two such names were Altra Industrial (AIMC) and nVent Electric (NVT). Both companies stumbled out of the gate post their spin-offs in 2018, but bounced 20% and 17%, respectively, in the fourth quarter on de-risked earnings estimates and as beneficiaries of an economic upturn. We also saw strong recognition for two stocks which were spinoffs purchased in 2019. IAA, Inc. (IAA), a salvaged auto auction company, and Kontoor Brands (KTB), the Lee and Wrangler jeans business from VF Corp. (VFC), were both up 20% in the quarter. Within Industrials, ten of our twelve holdings outperformed the benchmark; in Consumer Discretionary, eight of our ten holdings outperformed; and in Financial Services, nine of our eleven holdings outperformed. Spectrum Brands (SPB, up 23%) in Consumer Staples and Invacare (IVC, up 20%) in Healthcare continued to demonstrate the progress made in their respective restructurings. Lastly, after several missteps in its growth by acquisition strategy, Wright Medical (WMGI, up 44%) was finally recognized for the value it created by its recent takeover offer from Stryker (SYK).

On the detraction side, more conservative guidance from Diamondback Energy (FANG) impacted us in Energy while missed earnings at Huntsman (HUN) and Ashland Global (ASH) due to trade impacted growth with China led to underperformance in Materials.

Let's Talk Stocks

The top three contributors in the quarter were:

KBR, Inc. (KBR - $30.50 - NYSE) has transitioned from an engineering and construction (E&C) business to a government service business under new CEO, Stuart Bradie, which led to its recent reclassification from the Industrial to the Technology sector. KBR had a strong year in its Government Services segment securing more business than expected under the LOGCAP V military base contract. With the reclassification and Government Services a larger mix of the total company, the company has received a higher valuation versus the core E&C peers. In addition, the company was able to complete the work on the Ichthys LNG contract which has plagued the engineering and construction side of the business for years.

Esco Technologies, Inc. (ESE - $92.50 - NYSE) is a producer of highly engineered, specialty products for the utility, aerospace/defense, wireless test and packaging industries. The company posted another year (September fiscal year end) of solid results as its business drivers such as utility grid infrastructure upgrades, commercial aerospace and defense spending, and 5G wireless network builds have been relatively immune to the trade war and economic growth issues. Since its spin-off from Emerson Electric, the company has always stated that Packaging and Wireless Test were lower margin, lower return businesses and thus, non-core long-term. Consolidation in the packaging space resulted in a rich offer price for Esco's packaging group, and its recent sale gives the company more firepower for accretive acquisitions in its core Utility and Aerospace/Defense businesses.

Wright Medical Group, NV (WMGI - $30.48 - NASDAQ), is a medical device manufacturer specializing in lower extremity (foot, ankle), upper extremity (shoulder, elbow, wrist) and biologic products to mechanically repair tissue-to-tissue and tissue-to-bone injuries. Despite an execution mis-step that led the stock down 31% in the third quarter, the company's growth by acquisition strategy and unique positioning in the orthopedics space attracted the attention of Stryker (SYK) who offered to acquire Wright at a 50% premium.

The three largest detractors in the quarter were:

CareTrust REIT (CTRE - $20.63 - NASDAQ), is a healthcare REIT focused on skilled nursing facilities (SNF) and assisted living and independent living facilities. CareTrust consistently set itself apart from peers by avoiding underlying tenant troubles but that came to an abrupt stop this quarter with problems in Ohio and Michigan. The company is aggressively taking action by selling ten facilities (three in Ohio and seven in Michigan) while re-leasing or providing rent concessions for the remaining troubled facilities. Once these actions are complete, the underlying portfolio will be much stronger from a quality and rent-coverage standpoint. Management expects to get back on-track in short order with an attractive $100 million investment pipeline and arguably one of the best balance sheets (among peers) to support this growth.

Sabra Health Care REIT, Inc. (SBRA - $21.34 - NASDAQ) is a healthcare REIT focused on skilled nursing facilities (SNF) and assisted living and independent living facilities. Shares of Sabra took a breather this quarter flipping from one of the top contributors last quarter. Management continues to make progress on improving the balance sheet working toward the goal of 5.5x leverage by year-end. This is welcomed as the balance sheet was one of the top concerns remaining for investors. Now, this will shift focus to timing of investment activity which has taken a backseat to balance sheet priorities this year. The stock still trades at a discount to peers which we anticipate narrowing once management shifts its focus back to investment activity and growth. The shares offer an attractive dividend yield while we wait.

GrafTech International Ltd. (EAF - $11.62 - NYSE) is a leading manufacturer of graphite electrodes used in electric arc furnaces that produce steel. GrafTech has not lived up to our expectations as the company continues to work through a set of issues from higher channel inventories driving spot electrode prices lower, higher prices for key raw ingredient petroleum needle coke, and general economic worries. The company is better insulated from the increased needle coke costs due to its captive supply covering roughly 2/3 of its production, but the lower spot prices for electrodes has raised concerns about the stability of GrafTech's long-term fixed priced sales agreements should spot prices drop below contract. The shares received a boost late in the quarter on speculation that GrafTech might be an acquisition target given its cheap valuation (under 5x 2020 P/E and 5x 2020 EV/EBITDA). Instead, controlling shareholder Brookfield Asset Management announced a secondary offering selling down its ownership stalke, further pressuring the stock. Partially offsetting this was the company announcing a $250 million stock buyback in conjunction with Brookfield's secondary. We anticipate additional repurchases by GrafTech given its strong cash flow characteristics and management's stated target of returning 50% - 60% of free cash flow to shareholders. The concerns surrounding electrode spot prices should subside as the industry works through channel inventories over 2020.

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.

Fourth Quarter 2019 Commentary

KEELEY Funds

Small-Mid Cap 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 1.39% 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 12/31/2019)

	KSMVX No Load	KSMVX Load	Russell 2500 Value
1 Year	31.65%	25.68%	23.57%
5 Year	6.46%	5.49%	7.18%
10 Year	11.12%	10.61%	11.25%
Since Inception**	7.55%	7.15%	7.56%

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)
December 31, 2019

Name	Weight (%)	Name	Weight (%)
Copart, Inc.	3.31%	John Bean Technologies Corporation	2.31%
KBR, Inc.	3.03%	Howard Hughes Corporation	2.26%
ESCO Technologies Inc.	3.01%	AXA Equitable Holdings, Inc.	2.18%
Nexstar Media Group, Inc. Class A	2.77%	WEX Inc.	2.16%
Air Lease Corporation Class A	2.69%	NRG Energy, Inc.	2.06%

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.

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

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