KEELEY Funds

Mid Cap Dividend Value Fund

To Our Shareholders,

For the quarter ended September 30, 2020, the KEELEY Mid Cap Dividend Value Fund's net asset value ("NAV") per Class A share rose 2.84% compared with a 6.40% gain for the Russell Mid Cap Value Index. For the year-to-date, the Fund is down -19.08% compared with a -12.84% fall for the benchmark.

Commentary

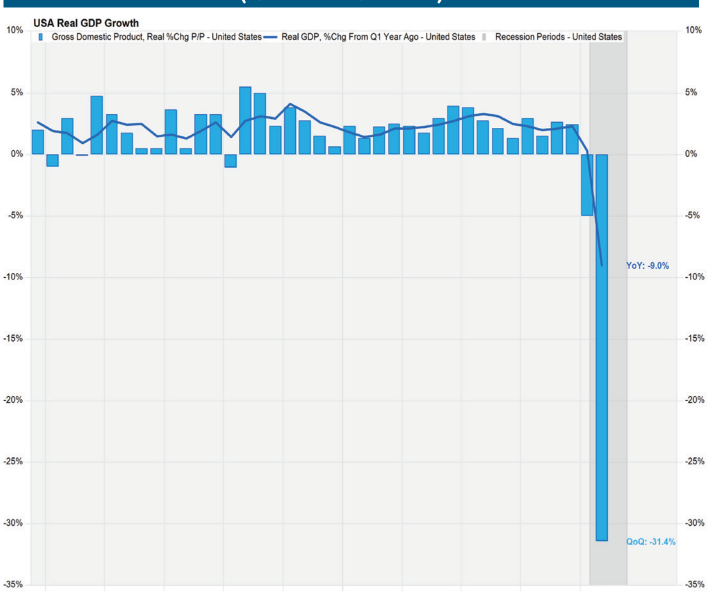
The market continued its recovery in the third quarter in tandem with the economy. It should not be a big surprise that the economy rebounded sharply given that the second quarter fall was so severe and the reason for the decline was transient. Second quarter GDP declined at a staggering 31.4% annualized rate, the worst ever. The good news is that the Atlanta Fed's latest GDPNow reading is for third quarter GDP to increase at a 35.3% seasonally adjusted annualized rate, an impressive snap-back.

Market Performance

As of September 30, 2020	3 Months	Year-to-Date	1-Year
S&P 500 Index	8.9%	5.6%	15.1%
Russell 3000 Value Index	5.4%	-12.2%	-5.7%
Russell 3000 Index	9.2%	5.4%	15.0%
Russell 2500 Value Index	3.5%	-18.4%	-12.6%
Russell Midcap Value Index	6.4%	-12.8%	-7.3%
Russell 2000 Index	4.9%	-8.7%	0.4%
Russell 2000 Value Index	2.6%	-21.5%	-14.9%
Bloomberg Barclays Agg. Bond Index	0.6%	6.8%	7.0%

Source: eVestment.

USA Real GDP Growth (Q3 2010 - Q2 2020)



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

We see confirmation of this recovery in a wide variety of economic statistics: The unemployment rate rose to 14.7% in April but has since receded each month since to September's 7.9% reading. Industrial Production fell 16.5% in April, but only 7.7% in August. The ISM (Institute of Supply Management) Index plunged to 41.5 in April but bounced to 55.4 in the September report. The positive data points include Consumer Confidence, Retail Sales, Trade, and other measures. The most interesting data point is Home Sales, which are actually above pre-COVID levels. The stock market has shown an equally impressive rebound. Using the Russell 3000 as the benchmark, the market fell 35% between its peak on February 19 and its trough on March 23. It then staged a 54% rally to make a new high on August 21 and closed the quarter a little lower than that, but still up 53% from the lows.

The gains in the market have been

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 9/30/20. 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.

driven by an increasingly narrow set of mega cap growth stocks. Because of their weight in the indices, they drive the overall performance of the Index. Most stocks, however, have been left behind. As of the end of the third quarter, 70% of the stocks in the Russell 3000 Index remained below their February highs and 45% of them were at least 20% below those levels. If we take this analysis a little further, 80% of the stocks in the Russell 2000 Value Index have not regained their February price level and 58% are down more than 20%. At the other end of the spectrum, only 37% of Russell Top 200 Growth stocks are below the February level and only 4% are down more than 20%. This has widened the valuation spread between the returns of large cap stocks and those of small cap stocks as well as between growth stocks and value stocks. Through the first three quarters, the spread between growth and value has been a mid-twenties percentage for small caps and mid-caps and almost 38% for large caps! This valuation gap is a rare historical occurrence though the performance spread between growth and value for small caps and midcaps in 1999 was 45% and 51%, respectively.

The other interesting aspect of this downturn and recovery has been the underperformance of dividend-paying stocks, even within the value indices. Whereas historically dividend-paying stocks performed much better than non-dividend-paying stocks during downturns and lagged a little during recoveries, this year they have lagged by a fair amount in the second and third quarter.

The underperformance of small caps vs. large caps, value vs. growth, and dividend-payers vs. non-dividend-payers has made dividend-paying stocks, particularly small cap and mid cap dividend-paying stocks exceptionally attractive from an income generation standpoint. The aggressive actions by the Fed to lower short-term interest rates dragged down longer-term rates as well. The yield on the ten-year treasury remains well below one percent and near historic lows. The Russell Top 200 yield/10-year Treasury yield has risen to 235% at the end of the third quarter compared to 91% at year-end. While equities have yielded more than treasuries before, this condition is unusual as it has only happened in about 11% of months since 1978. Almost all of these months were between 1998 and 2001.

Even more unusual is the relationship between the yield on small cap stocks and large cap stocks. The yield on small caps has been higher than that of large caps since June and at the end of September, the yield on the Russell 2000 Index was 1.64% vs. 1.62% for the Russell Top 200. That has only happened in about 8% of months since 1978. The combination of higher equity yields and higher small cap yields has never happened before June of this year.

If we compare the yields on dividend-paying stocks, the income advantage increases. The average yield on dividend-paying stocks in the Russell Top 200 is now 2.63% whereas the average yield on the dividend-paying stocks in the Russell 2000 is an impressive 3.72%. Dividend-paying equities are very attractive from a yield perspective and we are now witnessing early stages of a rotation back to undervalued equities which should provide strong tailwinds for our portfolios going forward. While the 2020 and 2021 macro outlooks are diminished, the longer-term prospects for many of our companies remain attractive. It is our job to conduct fundamental bottom up research and invest in these best of breed companies selling at discounts to their intrinsic value.

Portfolio Results

While the third quarter posted challenges, we are optimistic going forward given the attractive values within our investment universe. Dividend-paying stocks within the Russell MidCap Value Index lagged non-dividend-paying stocks, a couple small overweights and underweights detracted further from performance, and the impact of Stock Selection on results was negative.

We estimate that non-dividend-paying stocks within the Russell MidCap Value Index gained 8.9%, while dividend-paying stocks only produced a 5.4% total return. While this is a narrower gap than last quarter, it remained a headwind and came after the dividend payers did not perform much better in the first quarter's sell-off.

Among sectors, small underweights in the Industrials and Communications Services sectors and a small overweight in the Energy sector all detracted from relative performance. The impact from Stock Selection was broad and was most acute in the Utilities, Industrials, Technology, and Materials sectors.

• The performance of Utility stocks has been puzzling to us this year. Despite a steep drop in interest rates and relatively stable earnings expectations, Utility stocks within the Russell MidCap Value Index have declined almost as much as the Index itself. This is unexpected and we believe it represents an opportunity. In the quarter, the Fund's holdings lagged the sector mostly due to a decline in the shares of Evergy. The company concluded a strategic review without coming to the hoped-for conclusion of a sale

• The Fund's holdings in the Industrial sector detracted from relative performance as they failed to keep up with the strong gains in the benchmark. GrafTech, a leading maker of electrodes used in steelmaking was the only significant detractor despite the fact that earnings expectations stabilized and even improved a little.

• While gains in the Technology sector overall did not match the market, the Fund's holdings in the sector declined slightly. This was mostly due to a decline in the shares of government IT services provider Perspecta, which we discuss further below.

• Similar to the Industrial sector, the Fund's performance in the Materials sector was good, but not as good as the benchmark. Unlike in the Industrial sector, none of the Fund's holdings declined very much, they just did not go up as much as the strong 13% gain in the sector.

During the quarter, the Fund did not add or eliminate any positions.

Let's Talk Stocks

The top three contributors in the quarter were:

Fortune Brands Home & Security (FBHS - $86.52 - NYSE) is one of the leading manufacturers of products used in new home construction and repair & remodel with strong market positions in cabinets and plumbing products. Fortune Brands is a key beneficiary of the pandemic-induced dislocations as consumers shifted spending to home repair and remodel driving strong growth and profitability in the company's flagship plumbing brand Moen and composite decking Fiberon business. The improvement in new home construction should drive improvement in the cabinets segment as the value-priced offerings have performed well in this environment. The near-term outlook and underlying trends remain favorable.

Quanta Services, Inc. (PWR - $52.86 - NYSE) is a specialty contractor in the electrical power, oil and gas, and communication industries. Quanta Services reported a very strong quarter as operating margins exceeded expectations. The company also reported strong cash flow generation in the quarter with YTD results already towards the low-end of upwardly-revised, full-year Free Cash Flow guidance. The backlog fell sequentially as the company removed the Atlantic Coast Pipeline (ACP) project but still increased almost 10% year/year. Quanta's balance sheet remains strong with net debt to EBITDA below its targeted range of 1.5x to 2x and the company reauthorized a $500 million share repurchase program.

KB Home (KBH - $38.39 – NYSE) is one of the nation's leading homebuilders. KB Home is back as a top performer for the second quarter in a row as new housing demand continues to accelerate driven by first-time buyers which represent more than half of the company's new orders. Profitability has improved due to management's focus on cost reductions and pushing higher average selling prices. We expect this increased demand to continue near-term driven by the Millennials aging into prime home buying age. In addition, the current "work-from-home" dynamic introduces an element of mobility that could further accelerate housing trends. Importantly, record low mortgage rates remain supportive.

The three largest detractors in the quarter were:

Valero Energy (VLO - $43.32 - NYSE) is one of the largest independent refiners in the US with refining operations along the Gulf Coast, in Canada, and in the UK. Despite its advantageous footprint along the Gulf Coast, VLO was not immune to several issues that affected the refining industry during the quarter. These included as sharply lower commodity prices which led to lower gasoline crack spreads, lower utilization because of a lack of jet fuel demand, and a surplus in diesel fuel. Finally, an announcement late in the quarter by the governor of California that would effectively ban internal combustion engine vehicles by 2035 dampened sentiment for the group. VLO is a high-quality company which should see a pickup once the North American economy emerges from the COVID-19 recession.

Diamondback Energy (FANG - $30.12 – NASDAQ) is a Texas-based exploration and production company with a large footprint in the prolific Permian Basin. Results for the second quarter were disappointing due to the first quarter collapse in oil prices. This saw the company unable to generate free cash flow despite dramatically slowing its cadence for well completions. The company sees much lower capital spending in the second half of the year and into 2021. This should allow it to generate a healthy amount of free cash flow while keeping production flat and reducing costs. FANG remains committed to its dividend, which is currently close to a 5% yield.

Perspecta, Inc. (PRSP - $19.45 – NYSE) is a leading provider of information technology services to the civilian and defense agencies of the Federal government. While Perspecta has seen limited impact from the COVID-19 pandemic thus far because its employees provide essential services to the government, social distancing procedures appear to be slowing some contracting operations and the ramp-up of new contracts. This has led to slight reductions in forward estimates and caused some softness in the stock in the third quarter.

Conclusion

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

October 14, 2020

Mid 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 1.20% 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, 2021 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 9/30/2020)

	KMDVX No Load	KMDVX Load	Russell Midcap Value
1 Year	-13.38%	-17.26%	-7.30%
5 Year	5.14%	4.18%	6.38%
Since Inception**	10.06%	9.50%	11.15%

Expense Ratio (Gross)**	1.39%
Waiver/Expense Reimbursement**	-0.17%
Expense Ratio (Net)**	1.22%

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, 2020

Name	Weight (%)	Name	Weight (%)
KB Home	2.71%	Quanta Services, Inc.	2.10%
Fortune Brands Home & Security, Inc.	2.34%	BWX Technologies, Inc.	2.02%
STERIS Plc	2.27%	Vulcan Materials Company	1.87%
FMC Corporation	2.18%	Arthur J. Gallagher & Co.	1.83%
Agilent Technologies, Inc.	2.16%	Oshkosh Corp	1.81%

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

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. 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.

KEELEY Funds
Direct Shareholders: 800-422-2274
Investment Professionals: 800-422-2274
National Accounts: 800-533-5344
info@keeleyfunds.com

Distributed By:
G.distributors LLC
Member FINRA
800-422-2274