KEELEY
Funds

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 12/31/2020. 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, 2020, the Keeley Small-Mid Cap Value Fund's net asset value ("NAV") per Class A share rose 29.65% compared with a 28.51% gain for the Russell 2500 Value Index. For the full year, the Fund was up 0.63% compared with a 4.88% rise in the benchmark.

Commentary

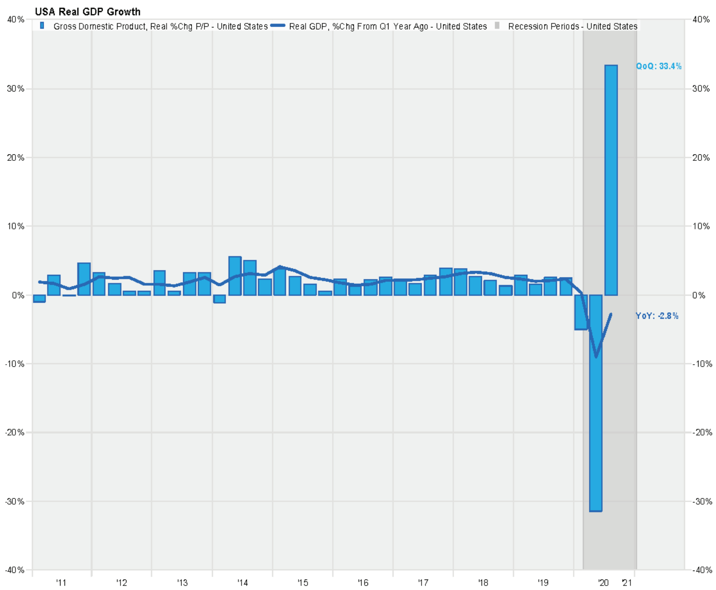
In a year with as much volatility and uncertainty as we had in 2020, maybe it should not be surprising that the Russell 2500 Index had its two best quarters ever (the second and fourth quarters) and its worst quarter ever (the first quarter). The fourth quarter ended on a strong note as small caps were particularly strong and mid caps also performed well.

Market Performance

As of December 31, 2020	3 Months	1-Year	3-Year
S&P 500 Index	12.1%	18.4%	14.2%
Russell 3000 Value Index	17.2%	2.9%	5.9%
Russell 3000 Index	14.7%	20.9%	14.5%
Russell 2500 Value Index	28.5%	4.9%	4.3%
Russell Midcap Value Index	20.4%	5.0%	5.4%
Russell 2000 Index	31.4%	20.0%	10.2%
Russell 2000 Value Index	33.4%	4.6%	3.7%
Bloomberg Barclays Agg. Bond Index	0.7%	7.5%	5.3%

Source: eVestment.

USA Real GDP Growth (Q1 2011 - Q3 2020)



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

In fact, small cap stocks outperformed large cap stocks by a record amount for a quarter. Whether using the Russell 2000 itself or the 2000 Value or 2000 Growth Indices, they all outperformed their large cap comparables (Russell Top 200) by 19-20 percentage points. You have to go back to the first quarter of 1991 to get anywhere close to this. Given how much they have lagged in recent years, we have argued that small-caps were due for a catch-up rally, but we did not expect the magnitude of this move. The long awaited rotation has arrived. As a result of this, full-year returns for small caps trailed large caps by a couple points and they actually exceeded the returns for mid cap stocks; 20.0% for the Russell 2000 vs. 22.4% for the Russell Top 200 and 17.1% for the Russell Midcap Index. The Russell 2500 was up 27.4% in the quarter to end the year up 20.0%.

While Value stocks outperformed in the fourth quarter, Growth stocks built a sizable lead in the first three quarters and remained well ahead for the year; +2.9% for the Russell 3000 Value vs. +38.3% for the Russell 3000 Growth. Returns for Value have only exceeded those for Growth in three of the last ten years and the difference in annualized returns has been 3.3% per year. We call attention to 1990s when Growth outperformed Value in six of the ten years with an average return differential of 4.4%. The '90s were, of course, followed by the 2000s when Value outperformed in eight of ten years by an average of 6.7%.

It appears that we are in the early stages of a shift in market leadership from large to small and mid and from growth to value. This new cycle is being powered by the combination of the lagged impact of global massive monetary and fiscal stimulus along with the prospect of multiple vaccines. We could expect strong economic growth next year accompanied by an impressive recovery in corporate earnings. Given the positive backdrop, equities are positioned for sustained gains over the next few years. Our outlook for 2021 centers on the combination of historic excess liquidity, engineered by the U.S. Federal Reserve and global central banks, coupled with a synchronized global recovery. Along with a high consumer savings rate, the U.S. housing market remains robust as evidenced by record sales of both existing and new homes. Another engine of global growth is China, which is enjoying a prolonged v-shaped rebound throughout its economy. China's industrial production rose 7% in November, while retail sales grew 5%.

Since the lows in March, the market has regained its old highs. While valuations have been somewhat stretched, our value universe of smaller company stocks still offers reasonable risk /reward. Since the initial snapback, the market grinded higher on improving economic data and progress in managing the pandemic. In the fourth quarter, we got a big dose of both of these developments as several vaccines in clinical trials passed key hurdles, including FDA approval, and Congress passed another round of stimulus payments.

In addition, the outcome of the national election with Joe Biden as President and Democrats in control of Congress, should lead to significant fiscal stimulus and infrastructure spending, generally benefiting cyclicals, industrials, financials and materials companies, where we deploy much of our research effort to uncover attractively priced equities. This should also have direct impacts on consumer and construction companies. On the negative side, President-elect Biden campaigned on a platform that included raising corporate taxes. We note that in the aftermath of President Trump's election win in 2016, Financial and Energy stocks performed very well because investors believed that a Trump administration would ease regulation on those industries. However, the pandemic changed all that with those stocks among the worst performing sectors since then. We remain optimistic about prospects for the equity markets.

We believe the trajectory of the COVID-19 pandemic will continue to unnerve markets, particularly in the early part of the year. The market seems to be pricing in a relatively smooth roll-out of vaccine programs and a tapering off of the pandemic as we work through the first half of the year. If this schedule is thrown off by significant delays in manufacturing or distribution, unwillingness of healthy people to be vaccinated, or mutations of the virus that make the vaccine less effective, we think markets would struggle. Our expectation: we think that there will be some slight delays and shut-downs could get worse in the near-term, but our expectations are for conditions to be "mostly normal" by end of the year.

As for inflation, with the exception of energy, commodity prices are higher over the last year despite the economic contraction. Gold is up 24%, silver is up 47%, copper is up 26%, but also corn is up 25% and soybeans are up 37%. Inflation can create cost issues for some companies, but more importantly, inflation expectations influence long-term interest rates and those impact valuations. We would expect inflation to ultimately meet the Fed's target goal of 2 percent as evidenced by the steepening yield curve. The trajectory of corporate earnings will likely influence the markets this year. Current estimates call for earnings in the Russell Top 200 to fall 10% in 2020 and then rise 18% in 2021. For small caps, we witnessed a fall of 50% last year and in 2021 expect a steep increase of greater than 100 %. Mid caps land in between at down 29% in 2020 and up 42% in 2021. While estimates for the year are often high at the beginning of the year, this is not usually the case in recovery periods. Furthermore, forward expectations have been rising over the last several months. Our expectation: We think earnings will surprise to the upside. As bottom up, fundamental value investors, we seek to uncover high quality undervalued stocks that we believe offer the best risk/reward trade-off at any given time.

Small-Mid Cap Value Fund

Portfolio Review

The Fund's performance continued to rebound and it has now outperformed its benchmark for three quarters in a row.

The Stock Selection effect drove the strong results as Sector Allocation detracted from performance. Even within Sector Allocation, almost all of that impact came from the Fund's small cash holdings (2.5% on average). Underweights in Real Estate and Health Care and an overweight in Technology helped performance while an overweight in Utilities and an underweight in Financials were small detractors.

The impact from Stock Selection was most positive in the Consumer Discretionary sector followed by Industrials and Financials. Performance of the Fund's holdings in the Technology sector lagged those of the benchmark.

- Several of the Fund's "recovery plays" drove performance in the Consumer Discretionary sector. Clothing manufacturers Kontoor Brands (Lee and Wrangler), which will be discussed later in this report, and PVH (Calvin Klein and Tommy Hilfiger) were up 71% and 83%, respectively, in the quarter as it became apparent that Christmas spending would be okay. Visteon (auto parts) also appreciated sharply as car sales returned. TRI Pointe (homebuilding) declined, but had held up very well in previous quarters.

- Recovery and momentum were two themes in the Industrial sector. Chart Industries is an example of the latter as it was the Fund's largest contributor this quarter (and will be discussed later in this report) and was the second biggest contributor last quarter. The recovery theme was exemplified by Air Lease (commercial aircraft leasing) and Altra Industrial Motion (industrial components). On the negative side, building products companies Fortune Brands (discussed later) and AO Smith (water heaters) lagged the strong performance of the market and sector, but had previously performed well this year.

- The Financials sector was the third best performing sector in the benchmark with a 35% gain in the quarter. It trailed only the Energy and Information Technology sectors (+47%, +37%). The Fund's holdings in the sector performed significantly better as its focus has been more on banks and capital markets-oriented companies than insurance companies. No one stock accounted for much of the outperformance as all of the Fund's sixteen holdings appreciated and eight of them rose more than 40%.

- While the Fund's holdings appreciated more than 27%, it was not enough to keep up with the strong gains for Technology stocks in the benchmark. Lackluster performance by the stocks of Black Knight (mortgage servicing software and services) and Teradata (data management systems) was a drag on the sector's performance. On a positive note, Wex (payment processing for fuel and travel purchases) rebounded sharply.

We continue to emphasize companies that are earlier in their restructuring efforts as well as expanding the number of corporate change events we look at. To that end, the Fund added ten new positions and eliminated two holdings during the quarter.

Let's Talk Stocks

The top three contributors in the quarter were:

Chart Industries (GTLS - $117.79 – NASDAQ) is the leading provider of cryogenic solutions for industrial gas, energy and biomedical customers around the globe. During the quarter, the company announced several transactions that will accelerate its exposure to the commercialization of hydrogen as a fuel, an area of considerable opportunity. In addition, on its third quarter conference call, Chart highlighted its momentum with several new customers outside of hydrogen applications.

Kontoor Brands (KTB - $40.56 – NYSE) is the second-largest manufacturer in the global jeans market, with its portfolio largely consisting of the Wrangler and Lee brands. Shares rallied during the quarter as Kontoor management reinstated the company's dividend and also resumed earnings guidance at a level well ahead of where analyst expectations had been. With a strong sell-in of Lee at Walmart and robust digital sales, Kontoor saw its revenues stabilize sooner than previously expected, and a shift to casual wear during the pandemic also benefited Kontoor. Also, Kontoor's gross margin has been buoyed by product cost improvements, channel mix and product mix.

Air Lease Corporation (AL - $44.42 – NYSE) is a leading lessor of commercial aircraft to airlines around the world. While COVID-19-related travel restrictions and related lower leisure and business travel demand have made life very difficult for Air Lease's customers, the company has been partially insulated from the challenges they face. Its fleet of newer, modern aircraft remain desirable so airlines have continued to keep them in service and pay their leases. This is not to say that customer financial restructurings and delayed deliveries of new aircraft from Boeing and Airbus have not created challenges, only that the company has done a good job of managing these headwinds. Air Lease shares benefitted in the fourth quarter from a solid third quarter earnings report and an improving outlook for a 2021 recovery driven by the success of coronavirus vaccines in clinical trials.

The three largest detractors in the quarter were:

Note: It is important to keep in mind that the strength in the market created a situation where the detractors did not really cost much in an absolute sense. The Fund's worst-performing stock, TRI Pointe Group, was down only 3%.

TRI Pointe Group (TPH - $17.25– NYSE) is one the nation's leading homebuilders. The company reported a good quarter beating consensus estimates, but sentiment turned negative on the stock. Housing orders accelerated in the quarter and more of those orders are from the Millennial demographic. Management noted that underlying trends remain favorable with strong growth in backlog both in dollars and units, but near-term sales mix will likely be a headwind. Historic low interest rates continue to be supportive to the housing sector.

Diamond S Shipping, Inc. (DSSI - $6.66 – NYSE) is a shipping company focused on crude and product tankers worldwide. Diamond S Shipping fundamentals are tied to oil prices and consumption which are under tremendous pressure due to the negative impacts globally from COVID-19. The company continues to execute as best it can in a very difficult environment. However, it does appear that spot shipping rates might be bottoming with current rates toward the bottom of the 10yr average. We started buying shares of Diamond S Shipping last quarter partly on the thesis that spot rates were likely to bottom in 2021 as the global economy recovers. The other part of the thesis is valuation as the stock trades at a discount to underlying ship values.

Fortune Brands Home & Security (FBHS - $85.72 - 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 has been a key beneficiary of the pandemic-induced dislocations as consumers shifted spending to home repair and remodel. The company continues to post strong results with double-digit revenue growth and modest profitability improvement. Despite this, the stock struggled in the quarter as sentiment turned sour on Fortune Brands on elevated expectations. Underlying trends remain favorable and management expects sales growth and margin improvement in 2021.

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.

January 21, 2021

KEELEY Funds

Fourth Quarter 2020 Commentary

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, 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 12/31/2020)

	KSMVX No Load	KSMVX Load	Russell 2500 Value
1 Year	0.63%	-3.93%	4.88%
5 Year	9.11%	8.11%	9.43%
10 Year	8.96%	8.46%	9.33%
Since Inception**	7.02%	6.65%	7.36%

Expense Ratio (Gross)**	1.53%
Waiver/Expense Reimbursement**	-0.13%
Expense Ratio (Net)**	1.40%

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, 2020

Name	Weight (%)	Name	Weight (%)
KBR, Inc.	2.79%	Air Lease Corporation Class A	2.16%
Nexstar Media Group, Inc. Class A	2.52%	John Bean Technologies Corporation	1.92%
Chart Industries, Inc.	2.39%	Brunswick Corporation	1.91%
Equitable Holdings, Inc.	2.20%	NRG Energy, Inc.	1.90%
Fortune Brands Home & Security, Inc.	2.18%	WEX Inc.	1.83%

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

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. 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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