KEELEY Funds

Third Quarter 2021 Commentary

Small Cap Dividend Value Fund

Important Risk Information

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 9/30/21. 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 September 30, 2021, the Keeley Small Cap Dividend Value Fund's net asset value ("NAV") per Class A share fell -2.23% compared with a -2.98% decline for the Russell 2000 Value Index. For the year-to-date period, the Fund advanced 17.38% compared to a 22.92% gain for the benchmark.

Commentary

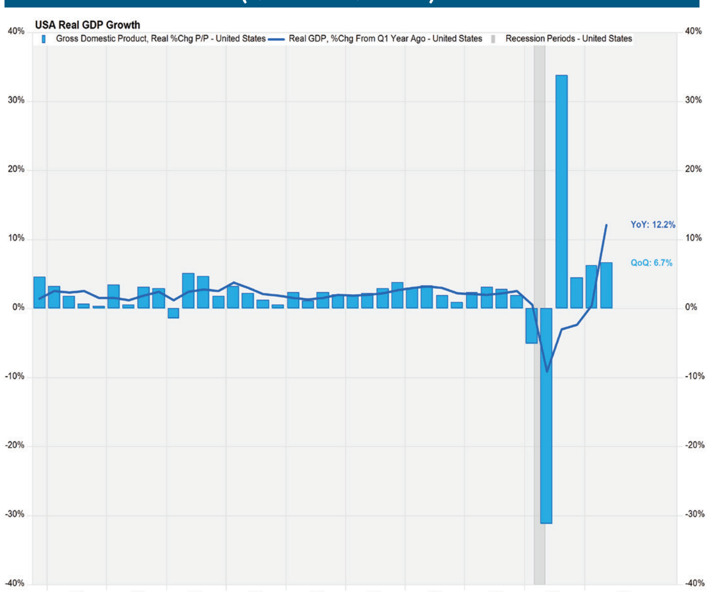
The portfolio demonstrated solid gains across many of its equity holdings during the quarter as the U.S. economy continued its robust growth trajectory. After declining nearly 20% in the first quarter of 2020, the market (as measured by the S&P 500 Index) went up five quarters in a row with the smallest quarterly gain being 6.2% and a cumulative gain of 70%. That is the best five-quarter gain in more than forty years. Small-cap and mid-cap stocks did even better. The style indices were mixed as Value outperformed in small-cap but lagged in the large- and mid-cap indices.

Market Performance

As of September 30, 2021	3 Months	Year-to-Date	1-Year
S&P 500 Index	0.6%	15.9%	30.0%
Russell 3000 Value Index	-0.9%	16.6%	36.6%
Russell 3000 Index	-0.1%	15.0%	31.9%
Russell 2500 Value Index	-2.1%	20.1%	54.4%
Russell Midcap Value Index	-1.0%	18.2%	42.4%
Russell 2000 Index	-4.4%	12.4%	47.7%
Russell 2000 Value Index	-3.0%	22.9%	63.9%
Bloomberg Barclays Agg. Bond Index	0.1%	-1.6%	-0.9%

Source: eVestment.

USA Real GDP Growth (Q4 2011 - Q2 2021)



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

As the economy has rebounded from its pandemic lows, so have corporate earnings: Total pretax profits have surged $0.84 trillion from the lows of 2020 and now stand 17% above their pre-pandemic high. Moreover, corporate profits are estimated to grow another 7% in 2022, fueling capex spend as domestic manufacturers scramble to rebuild supply chains amidst component shortages, lean inventory and surging consumer demand.

- Peak Growth - Some commentators express concern about a slowing of year-over-year economic and earnings growth. The US economy suffered a steep contraction in the second quarter of 2020 and began to recover in the third quarter. Recent quarters of year-over-year growth have baselines that are significantly depressed. A more important question is whether we will see as much growth as we currently expect. We believe that the risk to the economy appears to be more on the supply side than the demand side. Many press reports, company presentations, and our own discussions with companies are about the challenges they face in managing their supply chains. Whether it is semiconductors, shipping containers, ocean freight, labor, or other elements of production and distribution, bottlenecks have emerged. It seems the physical economy is not geared to produce the economic growth emerging from the contraction in 2020. It appears that these constraints likely will last into 2022.

- COVID-19 – The US and the World saw another wave of the COVID pandemic during the quarter. Not only did this begin to strain health care systems in some places, but parts of the global supply chain (Mexico, Malaysia, Vietnam) saw significantly higher spikes than they had experienced in previous waves. This wave appears to be ebbing. With vaccination rates increasing and promising new therapies moving through the drug development pipeline, we are hopeful that next year will have fewer COVID-related disruptions.

- Interest rates and inflation – The yield on the ten-year Treasury has been on a wild ride this year; it started strong in the first quarter, faded in the second, and sprang back to life late in the third. The Fed has signaled that it thinks it is nearing the time to remove some of the stimulus it put into place in the early months of the COVID pandemic. This seems to be contingent on two factors. First, the economic recovery continues, which we think is likely. Second, the uptick in inflation which has gone past the Fed's target proves to be transitory as the Fed has indicated. More strength in the recovery than anticipated or more stickiness to the rate of inflation than expected would likely accelerate the Fed's tapering actions. Because of the Fed's involvement in the market for long-term Treasuries, their withdrawal as a purchaser could lead to higher rates. It appears that these worries do not have much impact on small- and mid-cap stocks, but they serve as a headwind for some of the large-cap growth stocks that dominate the S&P 500 and Russell Top 200.

- China – Many commentators expressed optimism when Joe Biden was elected President that our country's relationships with our major trading partners would improve. While things may be a little better with Europe, the relationship with China remains contentious. No tariffs have been rolled back, China continues to take aggressive actions toward its neighbors, and it also seems to be restricting some of its freedoms internally. We do not know how this development will unfold, but it is potentially important because China is not only one of the US's largest trading partners, but it has also been a significant source of global growth over the last several decades. Slowing growth in China, whether due to internal or external factors, means slower global growth.

- Valuation – While our discipline makes us sensitive to valuations, we are not more worried about multiples now than earlier this year, even with markets near their highs. The reason for this is that while the market is up by a mid-teens percentage through the end of the third quarter, earnings expectations have risen even more. Since the beginning of the year, earnings estimates for the S&P 500 in 2021 have increased by 20% and they are up 13% for 2022. Mid-cap and small-cap earnings expectations have risen even faster. As a result, forward EPS multiples have decreased this year. In the case of the S&P Midcap 400 and S&P Smallcap 600 indices, valuations are not far from historical average. The areas where valuations remain well above average are large-cap stocks and growth stocks. Unfortunately, those dominate the headlines and influence investor sentiment. It seems likely that small caps regain their lead (in the case of the Russell indices) and retain their lead (in the case of S&P). Value stocks also seem primed for outperformance.

As we look ahead, we believe that the global economic recovery will continue, but acknowledge that the path could be a little bumpier in the next year. We expect to use market pullbacks as opportunities to uncover outstanding companies that investors discard for short-term reasons.

Small Cap Dividend Value Fund

Let's Talk Stocks

The top three contributors in the quarter were:

Penske Automotive Group (PAG - $100.60 — NYSE) owns and operates new and used car dealerships, and leases and sells commercial trucks. During the third quarter, Penske posted blowout quarterly earnings due to strong demand for both new and used vehicles amidst tight supply. Auto supply remains tight due to a computer chip shortage and crimped automobile production owing to the pandemic. As a result, vehicle selling prices have been elevated. Penske has done a solid job further benefiting from this current dynamic through recent cost reductions that Penske implemented in the wake of the pandemic, including improved digital capabilities. Penske sees the current supply/demand imbalance continuing into 2022.

City Office REIT (CIO - $17.86 - NYSE) is a real estate investment trust, or REIT, that owns office properties in the southern and western U.S. In August 2021, City Office REIT's shares surged after management announced the sale of its office properties in a life sciences-oriented submarket of San Diego for $576 million. City Office REIT showed with that sale price that the company had significantly increased the value of those buildings through renovating, repositioning, and re-tenanting its buildings in a region where demand for office space from life sciences tenants is especially robust. City Office REIT plans to use the proceeds of those sales to acquire more office buildings in fast-growing markets in the South and West.

Covanta Holding Corporation (CVA - $20.12 –NYSE) is a leader in sustainable waste and energy solutions with a global network of over 50 energy-from-waste and material processing facilities around the world. Shares of Covanta were strong again as the market chatter about a potential sale last quarter became a reality as the company agreed to be acquired by EQT Infrastructure for $20.25 per share. This represented a 37% premium to Covanta's share price of $14.86 on June 8th, 2021, the day prior to media reports of a possible transaction.

The three largest detractors in the quarter were:

Nu Skin Enterprises (NUS - $40.47 – NYSE) is a direct seller of personal care products and nutritional supplements. As a direct seller, Nu Skin is heavily reliant on person-to-person marketing, although the company has increasingly used digital tools through a concept it calls "social commerce" to make new customers aware of its products. During the third quarter, Nu Skin reported strong second quarter results and raised guidance. However, the stock has been pressured for several months now along with other direct-selling firms. Some of the weakness has stemmed from an inability to benefit from in-person contact by its sellers — which are known as "affiliates." Nu Skin has heavy sales in Asian markets, and the company has seen weaker sales in certain Asian countries because of pandemic-related government restrictions.

Primoris Services Corporation (PRIM - $24.49 - NASDAQ) is a diversified engineering and construction company focused on the construction of pipelines, utility-scale transmission and distribution, telecom, and heavy civil projects. Primoris reported a tough quarter, missing consensus estimates driven by weather-related issues in Texas and delays from Utility customers. The weather in Texas was more of an issue this quarter than usual because the recently-closed acquisition of Future Infrastructure Holdings increased its exposure to the State of Texas which made rain events during the quarter more pronounced. Additionally, revenue and margin contribution from Future Infrastructure was disappointing. However, underlying trends remain robust, backlog remains solid at $2.9 billion, and the company is winning more than its fair share of renewable projects.

Ensign Group (ENSG - $74.89 – NASDAQ) is a provider of healthcare services in the skilled nursing and senior housing markets. Ensign reported a mixed quarter in an operating environment made more difficult by lingering COVID-19 concerns enhanced by the emergence of the Delta variant. Despite these issues, the company continues to show sequential improvement in occupancy trends which drove mid-teens revenue growth. Management also noted that the acquisition pipeline is building, adding eight new facilities in the quarter. Unfortunately, concerns of a second wave driven by the Delta variant and its potential negative impact heading into year-end put pressure on the stock in the quarter.

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.

October 12, 2021

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The Fund's adviser has contractually agreed to waive a portion of its management fee or reimburse the Fund if total ordinary operating expenses during the current fiscal year as a percentage of the Fund's average net assets exceed 1.29% 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, 2022 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 9/30/2021)

	KSDVX No Load	KSDVX Load	Russell 2000 Value
1 Year	55.27%	48.22%	63.92%
5 Year	8.78%	7.78%	11.03%
10 Year	11.19%	10.68%	13.22%
Since Inception**	11.06%	10.63%	11.89%

Expense Ratio (Gross)**	1.64%
Waiver/Expense Reimbursement**	-0.23%
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)
September 30, 2021

Name	Weight (%)	Name	Weight (%)
Nexstar Media Group, Inc. Class A	2.60%	Independent Bank Group, Inc.	1.94%
Synovus Financial Corp.	2.00%	Olin Corporation	1.93%
BrightSphere Investment Group, Inc.	1.96%	Ensign Group, Inc.	1.89%
Oasis Petroleum Inc	1.96%	Penske Automotive Group, Inc.	1.87%
Kontoor Brands, Inc.	1.94%	Hillenbrand, Inc.	1.77%

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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