KEELEY
Funds

First Quarter 2021 Commentary

Small Cap Dividend Value Fund

The performance reflected herein is for the Class A shares without load. *"Without load" does not reflect the deduction of the maximum 4.50% sales fee (load), which reduces the performance quoted. Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The investment return and principal will fluctuate so that an investor's shares, when redeemed, may be worth more or less than the original cost. Current to most recent month-end performance data may be obtained at www.KeeleyFunds.com*

This summary represents the views of the portfolio managers as of 3/31/21. 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 March 31, 2021, the KEELEY Small Cap Dividend Value Fund's net asset value ("NAV") per Class A share gained 18.47% versus a 21.17% gain for the Russell 2000 Value Index.

Commentary

As the economy sustained its recovery in the first quarter, the stock market continued to make new highs. More important to the Keeley Small Cap Dividend Value Fund was that the value rotation toward small caps that began in the fourth quarter accelerated in the first quarter. We believe this process has only just started as "value" stocks remain very attractive relative to growth stocks on a historical basis.

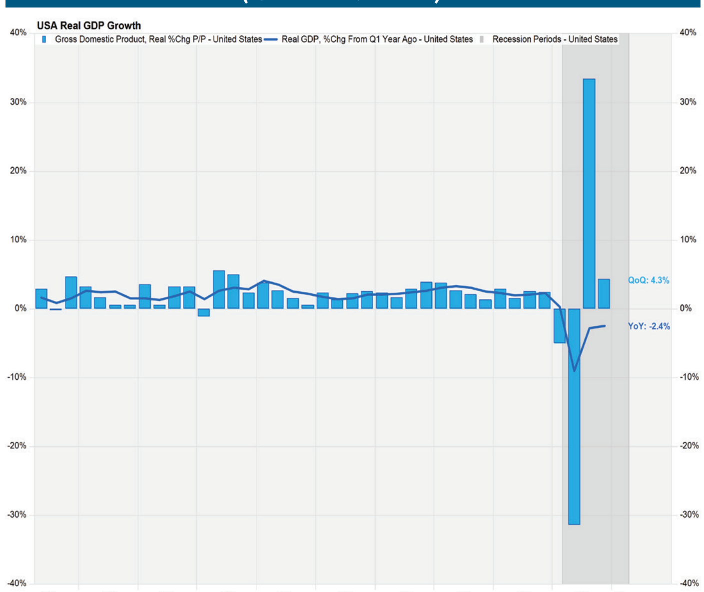
Economic data continues to show a recovering economy in the U.S. The trend has been positive for most of the last year since the steep decline in activity in the second quarter of 2020. We see improvement in a wide variety of measures, both in sentiment readings and in actual measures of activity. On the sentiment side, both the University of Michigan and the Conference Board measure of consumer confidence made new recovery highs in their most recent readings. Business sentiment measures from ISM and Markit have also been surprising to the upside and are well above the 50 mark that divides expansion from contraction. The regional Fed surveys have also trended positive. The March jobs reports showed a surprisingly strong 916,000 increase in non-farm payrolls, well ahead of the 635,000 consensus expectations. The March JOLTS (Job Openings and Labor Turnover Survey) showed 7.4 million open jobs, not far from the 7.6 million record of November 2018 and above pre-pandemic levels.

Market Performance

As of March 31, 2021	3 Months	1-Year	3-Year
S&P 500 Index	6.2%	56.4%	16.8%
Russell 3000 Value Index	11.9%	58.4%	11.0%
Russell 3000 Index	6.3%	62.5%	17.1%
Russell 2500 Value Index	16.8%	87.5%	10.9%
Russell Midcap Value Index	13.1%	73.8%	10.7%
Russell 2000 Index	12.7%	94.8%	14.8%
Russell 2000 Value Index	21.2%	97.1%	11.6%
Bloomberg Barclays Agg. Bond Index	-3.4%	0.7%	4.7%

Source: eVestment.

USA Real GDP Growth (Q2 2011 - Q4 2020)



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

At this point, it is difficult to ascertain how much of the continued upward recovery is due to the recent rounds of federal fiscal stimulus. Some shorter-term measures seem to correlate with the timing of each batch of stimulus checks, but it is also likely that much of the improvement is driven by growing comfort with getting out and doing things and easing government restrictions on activities. The expanding vaccination program should provide much-needed help to the travel, hospitality, restaurant, and other industries that depend on people's willingness to congregate. While these industries represent only a small part of the overall capitalization of the stock market, they employ tens of millions of workers. As a result, a recovery in these sectors should provide an additional boost to employment and the economy.

The other challenge is evaluating how much of the expected improvement in corporate results is priced into stocks. With the S&P 500 Index and the Russell Top 200 Index trading at about 22x forward earnings and the Russell 2000 Index trading at 30x earnings, a good deal of the improvement is probably priced in. As we indicated last quarter, we believe that estimates are relatively conservative and that expectations are likely to trend higher. This means that the "real" multiple on forward earnings is lower than it appears. We expect upward revisions as we enter second quarter earnings season.

Within sub-segments of the market, Value appears to be more reasonably priced. Small-cap value, in particular, trades at 18.9x NTM earnings compared to a historical average of 16x. The average valuation for the Russell 2000 Value Index is nearly the same as it is for the Russell Top 200 Index. With that Index now at 22.2x, the R2V looks relatively attractive.

So, when will dividend-paying stocks return to favor?

We have been arguing that small cap stocks looked attractive relative to large caps and value stocks appeared compelling relative to growth stocks for the last several quarters. Last fall, we also made the case that dividend-paying stocks were also unusually attractive relative to non-dividend-paying stocks. In the first quarter, the first two observations turned out positively. The 12.7% gain in the Russell 2000 was well ahead of the 5.1% gain in the Russell Top 200 Index. Value stocks did even better as the Russell 2000 Value Index rose 21.2% compared to the 4.9% increase in the Russell 2000 Growth Index.

So far, dividend-paying stocks have lagged as the 20.2% gain for dividend-payers in the Russell 2000 Value benchmark was shy of the 21.2% gain for the Index. This marks the sixth quarter in a row that dividend-payers trailed. Some of this can be explained by the makeup of the indices. Utilities and Real Estate are the two worst-performing sectors over the since the beginning of 2020 and typically pay dividends. When we look at the performance difference between dividend-paying and non-dividend-paying stocks within sectors, we have tended to see outperformance by the non-dividend-payers over the last year. This was particularly the case in some of the more important sectors such as Consumer Discretionary and Industrials, and especially in the second, third, and fourth quarters as the market rebounded.

We believe that dividend-paying stocks could be poised to regain their performance edge. For example, with rates low, the environment should be good for Utilities. They offer great yields, have opportunities to invest in rate base assets to support the energy transition, and are relatively insulated from potential corporate income tax changes. In other sectors, we believe the continuation of the recent trend toward restoring and raising dividends will motivate investors to reposition. In addition, while the upward move in prices has driven equity yields lower and the ten-year bond has moved higher, yields on dividend-paying stocks are still above those for bonds. The average yield on dividend-paying stocks in the Russell 2000 was above 2.5% at the end of the first quarter.

Portfolio Results

While absolute returns for the Keeley Small-Cap Dividend Value Fund were once again strong, the Fund's performance fell short of its benchmark, the Russell 2000 Value Index. We would cite a couple of factors: First, dividend-paying stocks within the benchmark continued to trail the non-dividend-paying stocks and the benchmark in its entirety. We estimate that the dividend-payers advanced 20.2% compared with a 23.0% increase in the non-payers and 21.2% for the benchmark. This has been a familiar refrain as dividend-payers have only beaten the benchmark a few times in the last couple of years. Partially inflating benchmark performance has been the performance of certain "meme" stocks. In particular, the 900%+ gain in GameStop added 71bps to the performance of the Russell 2000 Value. It is unusual for one stock to have a significant impact on the benchmark, but its parabolic appreciation caused the impact. GameStop does not pay a dividend (or even earn a profit).

If we disaggregate performance into Stock Selection accounted for a majority of the performance shortfall. Most of the Allocation effect was due to a slight underweight in Information Technology helped a little and a slight overweight in Utilities detracted slightly. Stock Selection was better than the benchmark in Utilities, Energy, and Communication Services, but lagged in Consumer Discretionary, Industrials, and Real Estate.

- The uptick in interest rates during the quarter led the Utilities sector to be the worst-performing sector in the market, although the Fund's investments performed better than the overall sector. Solid results from Black Hills and Allete helped performance.

- Energy was the best-performing sector for both the Fund and the Index. A 120% gain in the shares of Texas Pacific Land (discussed later) accounted for much of the outperformance, but the Fund also saw solid increases from Delek and Pioneer Natural Resources.

- Communications Services is a small sector in the value benchmark as it mostly includes internet service companies in the overall indices. Both of the Fund's holdings, Nexstar Media and Cinemark Holdings, outperformed the sector in the benchmark. Nexstar continued to benefit from a recovery in advertising while Cinemark saw an increase in optimism about movie theater reopenings.

- Stock selection in the Consumer Discretionary sector accounted for more than 90% of the overall negative Stock Selection impact. While the Fund's holdings gained more than 24%, they did not keep up with the 36% increase in the sector. The sector's performance trailed only the Energy sector during the quarter. While KB Homes and Penske Automotive Group performed well on strong earnings results, Del Taco Restaurants and Culp performed poorly despite decent results.

- We saw a wide range of performance among the Fund's Industrial stocks. Thirty percent gains from Apogee and Astec were offset by a slight decline from Allison Transmission. The Fund's 16% gain within the sector did not match the 19% gain for the overall sector, which was slightly worse than the benchmark. Earnings results within the Industrial have generally been strong, driven by the rebound in economic activity we have seen over the last three quarters. The stocks have benefitted from this and the expectation is that this will continue.

- Like Utilities, the Real Estate sector also lagged the overall market, likely on concerns about rising interest rates. The Fund's holdings lagged slightly largely due to sluggish performance from health care REITs CareTrust REIT and Sabra Health Care REIT.

During the quarter, the Fund added six new holdings, had one stock converted to another due to a merger, and completed the sale of one position.

Let's Talk Stocks

The top three contributors in the quarter were:

Texas Pacific Land Corporation (TPL - $1589.43– NYSE) is a large owner of surface and royalty interests in the Permian Basin in Texas. The company also provides water management and land management services to support oil and gas production in the basin. The stock performed well during the quarter for a couple reasons. First, the price of crude oil (WTI) increased 22% which directly benefits the royalty payments the company receives. Second, the company converted its structure from a land trust with a board of three trustees to a corporation with a full board of directors. This allows the company to issue debt or equity to support larger purchases of royalty interest packages. With this conversion, the company will also change its dividend frequency from annual to quarterly.

Mercer International (MERC - $14.39 –NASDAQ) is one of the leading producers of NBSK (Northern Bleached Softwood Kraft) pulp which is used in tissue paper and of lumber through its wood products segment. The company started to see improved pulp market dynamics in the quarter with increased prices and production volumes. This has been driven by improvements in global economic activity, especially in China. Mercer's wood products segment reported record results in the quarter as it benefitted from continued strength in lumber pricing because of robust housing demand. Management remains cautiously optimistic about these improvements but is concerned about global logistics challenges. So far, these appear manageable.

Synovus Financial (SNV - $45.75 – NYSE) is a leading regional bank in the Southeastern U.S., with more than $50 billion of assets and 288 branches. Bank stocks continued to perform very well in the first quarter as investors upgraded earnings expectations for them. Strong fourth quarter results, rising rates, and improving credit all contributed to the positive reassessment. Synovus benefitted more than most bank stocks due to its lower starting valuation, its higher level of reserves, and its greater than average asset-sensitivity.

The three largest detractors in the quarter were:

Chemed Corporation (CHE - $459.82 – NYSE) is one of the largest providers of hospice services through its VITAS segment and provides plumbing, drain cleaning, and water restoration services through its Roto-Rooter segment. The company reported in-line results and up until this quarter was not greatly impacted by the pandemic. Management noted on the quarterly earnings call that hospice admissions will be negatively impacted by disruptions in parts of its referral network which will pressure top-line results. Partly offsetting this anticipated weakness is continued strength within Roto-Rooter's residential business and management is optimistic about a turn in the commercial business. The near-term pandemic headwinds have ended the "beat and raise" streak for Chemed but is well-positioned for the long term.

Allison Transmission Holdings (ALSN - $40.83 – NYSE) is a manufacturer of fully-automatic transmission products for medium and select heavy-duty truck manufacturers. The company issued disappointing guidance for 2021 when reporting fourth quarter 2020 earnings due to the timing of certain customer program launches. Allison also suffers from a perception that the company does not have a role in the transformation to electric vehicles. On its quarterly conference call, however, management pointed out it works with 75% of existing OEMs that plan to introduce electric vehicles over the next few years.

Del Taco Restaurants (TACO - $9.58 - NASDAQ) is a nationwide operator and franchisor of restaurants with fresh and fast made-to-order cuisine, including both Mexican-inspired and American classic dishes. About half its locations are company-owned, while the other half are franchised. During the first quarter, Del Taco reported strong earnings and same-store sales guidance, continuing momentum from the third and fourth quarters in franchised markets outside of California. However, late in the quarter, investors turned away from Del Taco, likely out of mild frustration over the amount of time it will take for the company's efforts to accelerate franchise-driven growth. Del Taco has targeted mid-single-digit unit growth for its franchised restaurants, and some investors favor a shorter ramp to that level.

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.

April 12, 2021

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Small Cap Dividend Value Fund

The Fund's adviser has contractually agreed to waive a portion of its management fee or reimburse the Fund if total ordinary operating expenses during the current fiscal year as a percentage of the Fund's average net assets exceed 1.29% for Class A Shares and 1.04% for Class I Shares. The waiver excludes expenses related to taxes, interest charges, dividend expenses incurred on securities that a Fund sells short, litigation and other extraordinary expenses, brokerage commissions and other charges relating to the purchase and sale of portfolio securities. The waiver is in effect through February 28, 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 3/31/2021)

	KSDVX No Load	KSDVX Load	Russell 2000 Value
1 Year	91.04%	82.45%	97.05%
5 Year	10.82%	9.80%	13.56%
10 Year	9.11%	8.61%	10.06%
Since Inception**	11.66%	11.21%	12.30%

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)
March 31, 2021

Name	Weight (%)	Name	Weight (%)
Primoris Services Corporation	2.67%	Mercer International Inc.	2.10%
Nexstar Media Group, Inc. Class A	2.42%	Synovus Financial Corp.	2.10%
Ensign Group, Inc.	2.38%	BrightSphere Investment Group, Inc.	1.99%
Kontoor Brands, Inc.	2.26%	KBR, Inc.	1.99%
Penske Automotive Group, Inc.	2.13%	Independent Bank Group, Inc.	1.91%

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.

KEELEY Funds

First Quarter 2021 Commentary

Small Cap Dividend Value Fund

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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