First Quarter 2022 Commentary

KEELEY Funds

Mid 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 3/31/2022. 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.

To Our Shareholders,

For the quarter ended March 31, 2022, the KEELEY Mid Cap Dividend Value Fund's net asset value ("NAV") per Class A share fell 1.0% compared to the 1.8% decline in the Russell Mid Cap Value Index.

Commentary

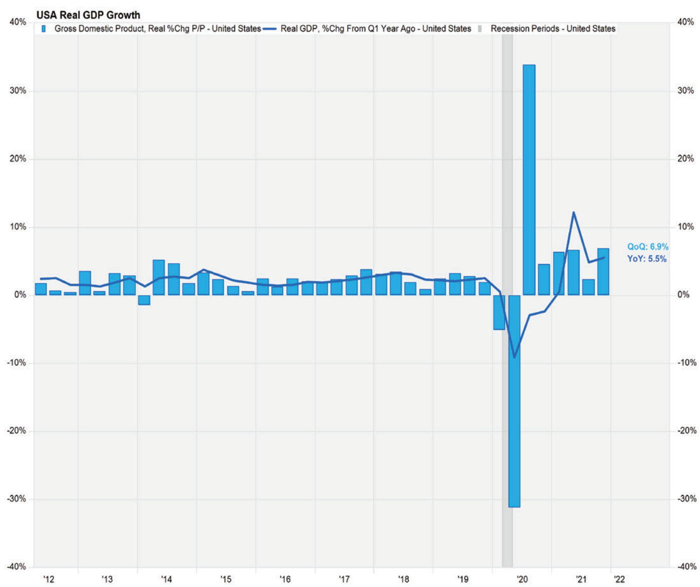
For the last two years, the tone of the market has been set by the evolution of the COVID-19 pandemic and the fiscal and monetary actions undertaken by the government to "bend the curve" and blunt the economic impact on its citizens. Unprecedented levels of fiscal and monetary stimulus first stabilized markets and then started the rebound. The announcement of successful vaccine clinical trials drove markets to new highs and the roll-out of those vaccines allowed economic activity to recover toward something approaching normal. The pandemic is not over. The United States reported more new COVID cases in the first quarter than in any previous quarter and deaths from COVID were the second highest of any quarter since the beginning. Shutdowns in some of China's largest port cities remind us that the supply chain disruption caused by this pandemic may be with us for a while. However, concerns about the potential impact from the pandemic have now been replaced by new worries over inflation.

Market Performance

As of March 31, 2022	3 Months	1-Year	3-Year
S&P 500 Index	-4.6%	15.6%	18.9%
Russell 3000 Value Index	-0.8%	11.1%	13.0%
Russell 3000 Index	-5.3%	11.9%	18.2%
Russell 2500 Value Index	-1.5%	7.7%	13.0%
Russell Midcap Value Index	-1.8%	11.5%	13.7%
Russell 2000 Index	-7.5%	-5.8%	11.7%
Russell 2000 Value Index	-2.4%	3.3%	12.7%
Bloomberg Barclays Agg. Bond Index	-5.9%	-4.2%	1.7%

Source: eVestment.

USA Real GDP Growth (Q2 2012 - Q4 2021)



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

For the last several quarters, inflation ran ahead of the 2% rate that the Federal Reserve targets as optimal. Initially, these price increases were dismissed as "transitory". The theory was that COVID-related supply chain constraints and the rebound in energy prices from depressed prior-year levels ("base effects") were overstating the real inflation rate. As supply chains normalized and we anniversaried the rebound in commodity prices, the inflation rate would settle back down to the target rate. This view eroded during the early part of the quarter and the Russian invasion of Ukraine in late February made it extremely unlikely.

Mid Cap Dividend Value Fund

The personal and humanitarian impact of the invasion of Ukraine is incalculable and this episode is another reminder of our good fortune to live in the United States. The economic and geopolitical impact of this incursion is difficult to estimate, but there are some clear impacts that we can identify at this early stage. First, the price of oil and gas and other key commodities has rocketed higher and may stay there for some time. Russia is one of the largest producers and exporters of oil and natural gas. While Europe continues to buy fossil fuels from Russia, most of those countries are looking for other sources and some countries are not buying Russian oil at all. This further tightened a market with little spare capacity leading to a 34% increase in the price of oil in the first quarter. In addition, both Russia and Ukraine are important exporters of corn and wheat. Grain markets have tightened, and prices have increased. Against this backdrop, inflation is rising to concerning levels and looking less "transitory," than before the Russians invaded Ukraine and the impact on key commodities from this conflict is likely to sustain or accelerate this trend.

The longer-term impacts may also be inflationary. In response to supply chain disruptions from COVID and from the Ukraine invasion, decision makers are acting to lower their risks. Countries in Europe are seeking other sources of energy; liquefied natural gas (LNG), nuclear, solar, and wind. These cost more than their current sources which is likely to increase energy costs for the people who live there. Companies increasingly look at bringing some production back to their home country.

This uptick in inflation has not gone unnoticed by the markets. Interest rates across the yield curve moved higher in the first quarter with the ten-year Treasury bond yield moving up 0.81% to 2.32% at quarter end. The middle of the curve moved up even more with the two-year up 1.56% to 2.29%. The result of this rise was the worst quarterly performance for the bond market since the 1980s. The Fed and its various members have signaled that they intend to continue raising rates until inflation is more contained.

The good news in the inflation story is that it is partially symptomatic of a strong economy. Energy prices were strong before the Russian invasion because demand for fuels and other petroleum-based products had recovered from the pandemic-driven downturn. Higher wages reflect a tight labor market. A strong economy is generally good for companies and good for stocks.

The bad news about inflation is twofold. First, higher inflation usually leads to higher interest rates which usually leads to lower valuation multiples. This sets up a race between rising earnings and falling multiples. In 2021, earnings rose more than valuations fell which resulted in good gains for stocks. That will be harder to achieve in 2022 and we have seen that impact on stocks so far this year, especially for stocks with higher starting valuations. Value stocks, particularly small- and midcaps, look attractive relative to growth stocks and large caps. This likely contributed to their outperformance in the first quarter across the market cap spectrum.

The other challenge arising from inflation is that policymakers will seek to contain it and the cure may not be that palatable. The Fed plans to raise interest rates with the intention of curtailing excess growth. The recent turbulence in the market likely results from investors' concerns about whether they will be able to accomplish their goals without tipping the economy into a recession. We are probably a little more optimistic than most investors in that we believe that the economy is well-positioned to absorb a little slowdown. Unemployment is low and job openings are high. Workers furloughed may find it easier to find new jobs. We continue to build the portfolio on a bottom-up, stock-by-stock basis.

Portfolio Results

We are pleased to report that the Fund held up better than its benchmark, the Russell MidCap Value index, in a challenging first quarter. Several factors combined to generate better performance than the benchmark. Most important is the outperformance of dividend-paying stocks relative to the overall index. More specific to the portfolio, the Fund received positive relative contributions from both its sector positioning as well as from the specific stocks held within each sector. The Sector Allocation effect was most pronounced in Energy, where a small overweight in the best performing sector was a positive, and in Information Technology, where a small underweight also helped. In looking at the Stock Selection effect, we saw large relative contributions in some sectors, while other sectors detracted, but the net impact was a plus. The Fund's holdings in the Financials, Health Care, Technology, Communications Services, and Real Estate sectors all performed better than the sectors within the benchmark, while the Fund lagged in the Materials and Consumer Discretionary sectors. The other four sectors were a net negative, but no one sector was all that meaningful.

- The Fund saw its greatest relative contribution come from the Financials sector as the Fund's holdings rose in the quarter while those in the index declined. Two factors accounted for most of the positive variance. First, Virtu Financial rose sharply in the quarter as market volumes and volatility increased. It was one of the Fund's best performing stocks and is covered later in this report. Second, the Fund's holdings of banks appreciated, while those in the index declined. We have previously discussed how the Fund's banks tend to benefit from higher interest rates more than most banks. With the Fed beginning to raise interest rates and signaling that more is on the way, the outlook is good for these companies.

- The Health Care sector was right behind the Financials sector in relative contribution and the Fund's holdings in the sector also posted gains on an absolute basis. The Fund saw superior performance in its holdings of Health Care Services companies where Universal Health Services rose after solid earnings. The Fund also benefited from a double-digit gain in the shares of Organon which bucked the trend for declines in the shares of midcap pharmaceutical stocks.

- While the Fund's holdings in the Information Technology sector declined slightly, they held up much better than those in the index. Most of the outperformance resulted from a nice increase in the shares of CDK Global, a leading supplier of technology solutions to automobile dealers. It reported another solid quarter of financial and operating results and increased its earnings guidance. Since the end of the quarter, the company has agreed to be acquired by Brookfield Business Partners in an all-cash transaction at $54.87/share. This represents a 13% premium to where the stock closed the first quarter.

- The Fund holds only two stocks in the Communications Services sector (Nexstar and Omnicom), but both performed exceptionally well in the quarter. As with many of the Fund's holdings over time, the strong share price performance was driven by strong financial results. Both companies reported very good fourth quarter results which were rewarded by investors.

- Similar to the Financials and Health Care sectors, the Fund's Real Estate holdings rose while those in the index declined. Most of the outperformance in the sector came from double-digit gains in Hudson Pacific Properties and Sabra Health Care REIT. There was no specific news to account for their strength, however both stocks had previously lagged. Furthermore, both produced solid fourth quarter earnings results and are in real estate sectors (office for Hudson Pacific and health care for Sabra) that seem to be recovering from pandemic-induced downturns.

- After being one of the best sectors on a relative basis for the Fund last quarter, Materials was the worst relative contributor this quarter. The Fund's holdings declined, whereas the sector produced a gain within the benchmark. We attribute most of the shortfall in performance to double-digit declines in RPM, Valvoline, and Vulcan Materials. All three are long-term holdings for the fund and are exceptionally good businesses, but all three use fossil fuels as a key input into their products. The spike in oil prices in the first quarter likely pressures earnings in the near-term, but all three companies have shown an ability to recover these costs over time.

- The Consumer Discretionary sector was the worst performing sector in the market as investors grew concerned that rising fuel prices will crowd out other spending and that rising interest rates will choke off housing demand. The Fund's holdings performed worse than the overall index for a couple of reasons. First, home-oriented companies like KB Home and Bath & Body Works (both detailed later) suffered from worries about housing. Second, the war in Ukraine hurt stocks with more European sales exposure like Autoliv and PVH.

During the quarter, the Fund made initial investments in two companies.

Let's Talk Stocks

The top three contributors in the quarter were:

Pioneer Natural Resources (PXD - $250.03 – NYSE) is an exploration and production company located exclusively in the Permian Basin in Texas. The strength in Pioneer's shares can mostly be explained by soaring oil and natural gas prices during the quarter. Unlike in many previous strong commodity markets, however, much of the cash generated by higher prices will find its way back to shareholders because the company committed to returning 75% of excess free cash flow by declaring a $3/share variable dividend to shareholders and announcing a $4 billion share repurchase authorization. The company also sold some of its non-core acreage for a favorable price.

Diamondback Energy (FANG - $137.08 – NASDAQ) is an exploration and production company that is also located in the Permian Basin in Texas. Many of the same factors that drove share price gains in Pioneer boosted Diamondback. Specifically, in addition to a favorable commodity backdrop, Diamondback returned two-thirds of excess free cash flow to shareholders in the form of share repurchases and a 20% increase to its fixed dividend. This was a bit better than the 50% commitment the company had previously established.

Chesapeake Energy (CHK - $87.00 - NASDAQ) is a natural gas-focused exploration and production company with operations in Pennsylvania and Texas. You are probably seeing a trend here. Strong increases in commodity prices, combined with these companies' more disciplined capital allocation framework drove gains in their share prices in a period when not much else was working. Chesapeake announced its structure of a fixed and variable dividend combined with share repurchases to return excess free cash flow. In addition, the company sold its non-core Powder River Basin acreage and announced the acquisition of a large private operator in Pennsylvania that will help improve its operational efficiency in that key market.

The three largest detractors in the quarter were:

Fortune Brands Home and Security (FBHS - $74.28 - NYSE) is one of the leading manufacturers of plumbing fixtures, cabinets, doors, and security products used in home repair and remodeling as well as new home construction. The shares of Fortune Brands fell during the first quarter as sentiment turned negative on the stock due to concerns about continued input cost inflation and the impact of higher interest rates on consumers. However, the company continues to report strong results as it exceeded consensus estimates across the board. Sales growth in the quarter was solid, particularly in the Doors & Security and Cabinets segments. Management continues to navigate the inflationary environment well as the company aggressively implements price increases to offset higher costs with the expectation of price-cost parity by mid-year 2022. Finally, management conveyed confidence in the near-term outlook as it gave 2022 earnings guidance above consensus estimates.

KB Home (KBH - $32.38 – NYSE), one of the nation's leading homebuilders, saw its stock sell off during the first quarter as the market grew more concerned about home price affordability because of rising mortgage rates and higher home prices and the market also grew more concerned about profitability due to raw material and labor cost inflation. When KB Home reported its fiscal first quarter earnings on March 23rd, results were below consensus estimates because of labor constraints caused by Omicron absenteeism and supply chain issues. These issues extended build times by two weeks which negatively impacted deliveries and revenues. On an absolute basis, the company's fundamentals were strong with revenue growth of 23% and EPS growth of 44% from a year ago. On its earnings call, management commented that it is not currently seeing signs of stress from higher mortgage rates or prices as the buyer profile remains strong. These market concerns have weighed heavily on KB Home's valuation and driven it down to slightly more than three times consensus EPS expectations, the bottom end of its historical range.

Bath and Body Works (BBWI - $47.80 – NYSE) is a retail store chain that sells sanitizers, soaps, fragrances, and lotions, both in stores and online. While the company reported solid fourth-quarter earnings, its shares struggled in the first quarter for two reasons. First, the company's longtime chief executive officer, who has done a terrific job growing and navigating this business, announced his resignation for health reasons, which creates uncertainty over future leadership and the future direction of the company. Second, Bath & Body Works guided to both first-quarter and full-year earnings at levels below prior analysts' consensus estimates. A combination of input and labor inflation, as well as higher levels of technology spending is likely to pressure earnings this year.

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.

April 12, 2022

KEELEY
Funds

First Quarter 2022 Commentary

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, 2023 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 3/31/2022)

	KMDVX No Load	KMDVX Load	Russell Midcap Value
1 Year	8.54%	3.64%	11.46%
5 Year	8.28%	7.29%	9.99%
10 Year	11.08%	10.57%	12.01%
Since Inception**	12.82%	12.33%	13.93%

Expense Ratio (Gross)**	1.38%
Waiver/Expense Reimbursement**	-0.18%
Expense Ratio (Net)**	1.20%

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, 2022

Name	Weight (%)	Name	Weight (%)
Olin Corporation	1.92%	Virtu Financial, Inc. Class A	1.73%
Ensign Group, Inc.	1.83%	Diamondback Energy, Inc.	1.70%
Franco-Nevada Corporation	1.80%	CDK Global, Inc.	1.69%
Brixmor Property Group, Inc.	1.77%	Lamar Advertising Company Class A	1.65%
NortonLifeLock Inc.	1.75%	Molson Coors Beverage Company Class B	1.64%

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.

First Quarter 2022 Commentary

Mid 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. 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