First Quarter 2022 Commentary

KEELEY Funds

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 3/31/22. 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, 2022, the Keeley Small Cap Dividend Value Fund's net asset value ("NAV") per Class A share fell 1.1% compared with a 2.4% decline in the Russell 2000 Value Index.

Commentary

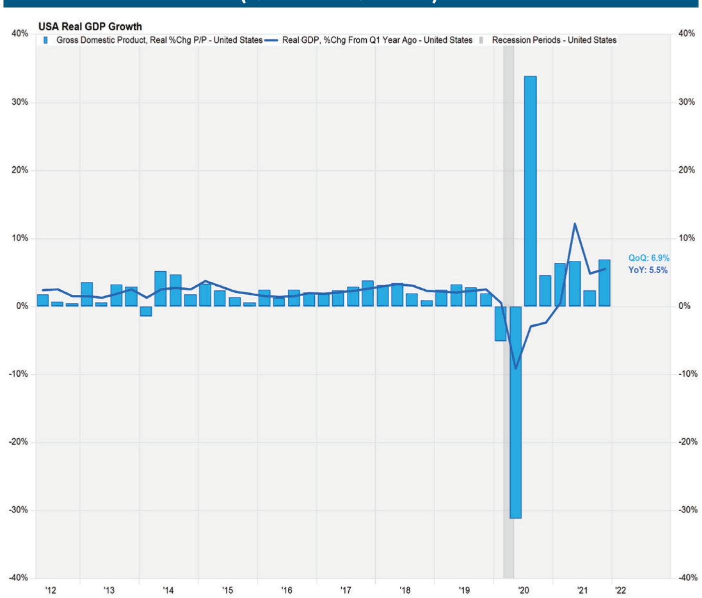
For the last two years, the tone of the market has been set by the evolution of the COVID-19 pandemic and the fiscal and monetary actions undertaken by the government to "bend the curve" and blunt the economic impact on its citizens. Unprecedented levels of fiscal and monetary stimulus first stabilized 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.

Small 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

The Fund extended its winning streak to the third quarter in a row of relative outperformance. This is something that we expect in challenging markets, but it is always nice when things work as planned. Several factors, big and small, drove the outperformance. The most important "Big Picture" driver was the outperformance of dividend-paying stocks compared to stocks that do not pay dividends. In addition, the Fund saw positive contributions from both Sector Allocation and Stock Selection. Within Sector Allocation, the Fund's underweighting in the Health Care sector, and specifically its lack of biotechnology stocks, helped performance. A slight overweight in the poorly performing Consumer Discretionary and a slight underweight in the very strong Energy sector offset most of this benefit. Stock Selection in the Financials, Health Care, Communication Services, Utilities, and Materials sectors helped the Fund the most, while the Fund's holdings in the Energy and Industrials sectors detracted the most.

- Overall, the Financials sector performed worse than the Russell 2000 Value index, but the Fund's holdings performed much better. Much of this outperformance was due to 20%+ gains in the shares of Virtu Financial (discussed later in the "Let's Talk Stocks" section of this report) and Silvercrest Asset Management. Both reported strong earnings and good underlying business metrics during the quarter. Most of the Fund's holdings also produced very strong fourth quarter earnings but were not rewarded as much.

- Not owning biotechnology stocks again helped the Fund's relative performance within the Health Care sector. This industry represents about half of the sector's overall weight, so it has a considerable influence. Because none of the stocks pay dividends, it is likely that movements in biotech stocks will continue to impact sector-level relative performance. With all of that said, the stocks the Fund did hold were up in aggregate during the first quarter compared to the decline in the overall market.

- Communication Services was another area of strength for the Fund. This is a small sector in the Russell 2000 Value index and the Fund held only one stock, Nexstar Media. That stock, however, was one of the Fund's biggest contributors and is discussed later in this report.

- The Utilities sector was the second-best performing sector in the benchmark during the first quarter, trailing only the Energy sector. We find that fact interesting in that utilities are often viewed as "bond proxies" and the bond market turned in its worst quarterly performance since the 1980s. It seems like the "flight to safety" impact offset the "bond proxy" impact, at least in the first quarter. The Fund's Utilities holdings performed even better on the strength on the shares of South Jersey Industries. It accepted a $36 per share cash takeover offer in the quarter from the Infrastructure Investments Fund. We discuss this further later in this report.

- While commodity prices were strong in the first quarter, the Materials sector within the Russell 2000 Value index declined in a similar amount to the overall index. The Fund's holdings in the sector appreciated nicely on rebounds in the shares of Compass Minerals and Mercer International. While neither company reported particularly strong fourth quarter results, Compass seemed oversold after reducing its dividend last quarter and the outlook at Mercer has materially improved.

- Energy was the largest relative detractor among the eleven sectors in the benchmark even though it was the largest absolute contributor! This speaks to the overall strength in the sector as we estimate small cap energy companies were up more than 40% in the first quarter. It is not a mystery why the sector was so strong given the 33% rise in the price of crude in the quarter. The Fund's holdings in the sector simply did not keep up. This is not entirely unexpected as dividend payers are still in the minority in the small-cap energy universe and they tend to be more stable than the average company. This hurts in sharply rising markets, but generally helps when the pendulum swings the other way.

- The performance of Industrial stocks in the benchmark was similar to that of the overall index. Unfortunately, the Fund's holdings declined slightly more. The Fund saw some big winners with Maxar Technologies, ABM Industries, and KBR, but declines in Griffon (discussed later), VSE Corporation, and John Bean Technologies more than offset the gains. These companies reported disappointing fourth quarter earnings as supply chain constraints and rising input costs pinched margins.

Small Cap Dividend Value Fund

During the quarter, we added five new positions to the Fund, sold two holdings, and had one company acquired for cash.

Let's Talk Stocks

The top three contributors in the quarter were:

Cactus, Inc. (WHD - $56.74 — NYSE) is a manufacturer of wellheads for land-based oil & gas wells and a provider of rental tools to oil & gas customers. In addition to a rising commodity price environment, Cactus has also grown its market share over time in the US. It recently also made inroads in Saudi Arabia by shipping its first order in 4Q21. In addition, Cactus seems to be managing the rising input cost inflation environment better than most other service and equipment providers in the US due to its strong market share which enables it to pass along these costs through meaningful price increases.

South Jersey Industries (SJI - $14.89 - NYSE) is a regulated natural gas utility serving customers in Central and Southern New Jersey. South Jersey was one of the Fund's top performers during the quarter as the company agreed to be acquired by J.P. Morgan's Infrastructure Investment Fund for $36 per share in cash. This represented a 53% premium to the previous day's close. This transaction is expected to close in the fourth quarter of 2022.

Nexstar Media Group (NXST - $188.48 – NASDAQ) is the U.S.' largest television station owner, boasting affiliations with all major networks. During the first quarter, Nexstar reported fourth-quarter earnings that exceeded analysts' expectations, fueled in part by better-than-expected core advertising growth. With that release, Nexstar also issued strong guidance for free cash flows for the next two years, with growth driven by continued improvement in core advertising, strong political advertising during the 2022 election cycle, a growing digital business, and a focus on keeping a lid on costs. Also, Nexstar — like other TV station owners — benefited in the fourth quarter from seeing a moderation in subscriber decline trends in U.S. cable systems. Finally, Nexstar and other traditional broadcasters drew more interest from investors during the first quarter due to their generally robust visibility into free cash flow generation.

The three largest detractors in the quarter were:

Griffon Corporation (GFF - $20.03 - NYSE) has leading brands in consumer home and garden tools, closet organization, and garage doors. The company reported better-than-expected earnings driven by continued strength in the Home and Building Products segment (garage doors). That segment saw favorable product mix and pricing. The stock underperformed, however, as margin contracted due to inflationary cost pressures and supply chain issues as well increased leverage associated with the Hunter Fan acquisition. Management plans to reduce debt with the proceeds from the anticipated sale of its Defense segment. Shares of Griffon appear cheap at less than ten times fiscal 2022 (September) consensus EPS.

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.

Winnebago Industries (WGO - $54.03 – NYSE), a leading RV manufacturer, saw its stock come under pressure throughout the quarter despite posting strong earnings. These results beat consensus estimates across the board and the company's backlog grew to a record $3.7 billion. The weakness in the stock reflects the market's worry that earnings are peaking as well as concerns about demand destruction caused by accelerating fuel costs and higher interest rates. Management was cautiously optimistic in the company's outlook due to continued demand from baby boomers/Gen-X/millennial customers. We believe Winnebago is well-positioned to capitalize during this current environment, but near-term sentiment remains negative despite shares trading at an attractive valuation on our view of normalized earnings.

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, 2022

KEELEY
Funds

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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, 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)

	KSDVX No Load	KSDVX Load	Russell 2000 Value
1 Year	4.07%	-0.61%	3.32%
5 Year	7.06%	6.08%	8.57%
10 Year	9.19%	8.70%	10.54%
Since Inception**	11.03%	10.61%	11.54%

Expense Ratio (Gross)**	1.60%
Waiver/Expense Reimbursement**	-0.18%
Expense Ratio (Net)**	1.42%

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 (%)
Oasis Petroleum Inc	2.43%	Independent Bank Group, Inc.	1.86%
Cactus, Inc. Class A	2.22%	OUTFRONT Media Inc.	1.85%
Ensign Group, Inc.	2.19%	Virtu Financial, Inc. Class A	1.83%
South Jersey Industries, Inc.	2.00%	Atlantica Sustainable Infrastructure plc	1.77%
Nexstar Media Group, Inc. Class A	1.89%	Olin Corporation	1.76%

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.

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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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