Third 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 9/30/22. 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 September 30, 2022, the Keeley Small Cap Dividend Value Fund's net asset value ("NAV") per Class A share fell 4.4% compared with a 4.6% decline in the Russell 2000 Value Index. For the year-to-date, the Fund has declined 17.3%, outperforming the 21.1% drop in the benchmark by 3.8%.

Commentary

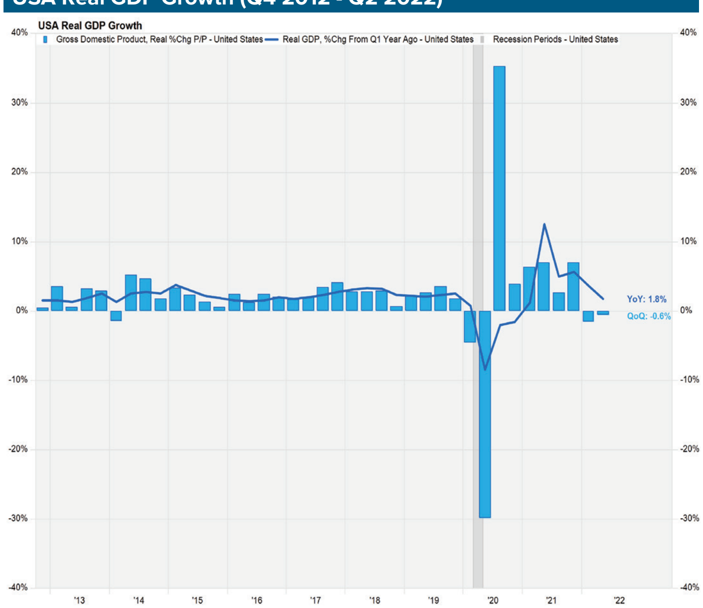
After a very strong start, the market rolled over in August and fell further in September to end down for the quarter. At the end of the quarter, the market was testing the June lows. During the quarter, stocks declined less than bonds, small caps outperformed large caps, stocks of unprofitable companies did better than companies that make money, and non-dividend-payers outperformed dividend payers. Within the fixed income markets, high yield bonds outperformed Treasuries. In all these cases, riskier assets outperformed less risky assets.

Market Performance

As of September 30, 2022	3 Months	YTD	1-Year
S&P 500 Index	-4.9%	-23.9%	-15.5%
Russell 3000 Value Index	-5.6%	-18.0%	-11.8%
Russell 3000 Index	-4.5%	-24.6%	-17.6%
Russell 2500 Value Index	-4.5%	-20.4%	-15.4%
Russell Midcap Value Index	-4.9%	-20.4%	-13.6%
Russell 2000 Index	-2.2%	-25.1%	-23.5%
Russell 2000 Value Index	-4.6%	-21.1%	-17.7%
Bloomberg Barclays Agg. Bond Index	-4.8%	-14.6%	-14.6%

Source: eVestment.

USA Real GDP Growth (Q4 2012 - Q2 2022)



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

According to the Federal Reserve Board's Summary of Economic Projections the governors expect the Fed Funds rate to end between 4.25% and 4.50% this year and 4.50% and 4.75% next year. While there are a lot of paths to get there, the Fed has been aggressive in boosting rates in 75bps increments thus far. If they stay on this path, we should expect a couple more hikes this year of similar size and maybe a little more next year. The goal of this rate hiking program is to slow demand in order to reduce inflation and prevent inflationary expectations from becoming entrenched.

Unfortunately, many of the current drivers of inflation may not be responsive to monetary policy unless rates move high enough to cause a recession. After all, higher rates don't end the war in Ukraine which might increase the supply of Russian oil and gas. They also do not remove the bottlenecks to the export of grain from Russia and Ukraine which would reduce food inflation. On the positive side, much of the rate of price increase has been driven by these and other transient factors. Even if those factors do not reverse, their impact will eventually work its way through supply chains and later be anniversaried. This should begin to happen early next year. In addition, many commodity prices have begun to retreat. Crude oil was off more than 20% in the third quarter and will be down on a year-over-year basis by the end of January if prices stay at this level. Metals and some agricultural commodities also declined in the third quarter. Finally, job openings have trended lower over the past several months suggesting labor market tightness may be easing. With signs pointing to a slowdown in the economy, it seems increasingly possible to us that the Fed may have to pause its rate increase campaign and assess the impact of increases thus far on the economy and inflation sometime in the first half of next year.

We think that the conditions as they stand today, however, create the potential for better outcomes than we have seen in the past. First, unemployment is very low and job openings are very high. This might mean that employees furloughed from one position can find new jobs quickly. Second, there are few obvious signs of excesses that need to be unwound, unlike during the popping of the Housing Bubble in 2008 or the Internet Bubble in 2000. This leaves the financial system in better condition to support the economy. In addition, household liquidity is still relatively strong.

Through the first nine months, the S&P 500 declined nearly 25%. With forward earnings estimates up slightly, the index's P/E ratio contracted from 21.5x at year-end to 15.2x on September 30. This puts it below the 16.2x average since 1999. While this is not far from the lows in September 2002 (14.7x), it is well above the lows in 2009 (10.7x).

We think conditions look more like the early 2000 bear market, rather than the 2008 financial crisis . At this point, much of the valuation contraction has already occurred. Earnings expectations likely have to come down, but they already have in many sectors. Indeed, if not for commodity-driven upward revisions in Energy sector earnings, estimates for the S&P 500 would be about 5% lower than at the beginning of the year.
More importantly to the small- and mid-cap strategies we manage is that valuations for small caps and mid caps relative to large caps are unusually favorable. The forward P/E ratio for the S&P Small Cap index was 10.4x at quarter end making the relative multiple (S&P Small Cap/S&P 500) only 0.68. This is the lowest it has been since March 2001! Small caps outperformed for years after that time.

We believe the outlook for positive returns in stocks is good. While the economy will likely be in worse shape, we think that the outlook for inflation will be better in six months.

Portfolio Results

The Fund outperformed its benchmark again in the third quarter. This marked the fifth quarter in a row of outperformance. It was particularly encouraging in a quarter when non-dividend-paying stocks in the Russell 2000 Value outperformed dividend-paying stocks by a fairly wide margin. With factors working against relative performance, decisions on individual stocks were the driver of outperformance in the quarter.

When we break down relative performance into Sector Allocation and Stock Selection, we see that Stock Selection added to value, while Sector Allocation was a very slight detractor. Within Sector Allocation, performance was helped by a slight overweight in Energy and a slight underweight in Communications Services. Energy was the best performing sector while Communications Services was the worst. These benefits were offset by an underweight in Health Care and an overweight in Industrials. The Health Care underweight is due to the lack of ownership in biotechnology stocks. These represent half the weight of the Health Care sector within the index and rose on an absolute basis in the quarter. None of them pay dividends. Within Stock Selection, positive relative contribution from Consumer Discretionary, Energy, Communications Services, and Financials was partly offset by detractors in Technology, Health Care and Industrials. The Fund's holdings outperformed the benchmark in four sectors, underperformed in four sectors, and were about the same in three.

- The Fund's holdings in the Consumer Discretionary sector eked out a small gain compared to the loss in the sector within the benchmark. Five of the Fund's nine holdings advanced during the quarter. Jack in the Box led the gainers as strong second quarter earnings were enough to offset some adverse regulatory developments. The worst performers were Aaron's and Standard Motor Products which are two of the Fund's smallest holdings.

- The Fund's more than 20% gain in its Energy holdings exceeded the 8% gain for the sector. Two Energy holdings, International Seaways and Chord Energy, were the Fund's two biggest contributors to performance this quarter and are discussed at more length later in this report.

- The Communications Services sector was the worst-performing sector within the benchmark with a nearly 15% decline. The Fund's lone holding, Nexstar Media Group, however posted a slight gain as it reported a strong quarter and announced a sizable acquisition.

- We saw a wide dispersion of returns between the twenty-three stocks the Fund holds in the Financials sector, but in aggregate they outperformed those in the benchmark. Small banks South Plains Financial and Timberland Bancorp led the way with double-digit positive returns on solid earnings results. The detractors were a mix of capital markets companies like BrightSphere Investment Group and Virtu Financial as well as a couple banks (Provident Financial and First Foundation).

- The Fund's holdings in Information Technology lagged the performance of the benchmark's by the most of any sector. The Fund has only three holdings in the sector, so one position can impact these results. This quarter, the sharp drop in the shares of TTEC accounted for most of the sector's underperformance. It was one of the Fund's biggest detractors and is discussed later in this report.

- While the Fund's holdings in Health Care rose in the quarter, they lagged the returns of the overall Health Care sector within the index. This was mostly due to the lack of holdings within the biotechnology industry. While that industry had a good quarter, the Fund's lack of ownership in that area has been a significant positive on a year-to-date basis.

- Stocks in the Industrials sector declined more than those of the Russell 2000 Value index and the Fund's holdings declined a little more than the index, on average. While Regal Rexnord and Griffon performed well on strong earnings and a strategic review, respectively, 20% plus declines in ESAB, Maxar, Primoris, and Spirit AeroSystems more than offset those gains. Primoris was one of the Fund's biggest detractors and is discussed later in this letter.

During the quarter, we added one new position to the Fund and sold six holdings.

Let's Talk Stocks

The top three contributors in the quarter were:

International Seaways (INSW - $35.13 – NYSE) is a shipping company focused on crude and product tankers worldwide. The company reported its first profitable quarter since the third quarter of 2020 driven by a recovery in shipping rates from the negative impacts from the pandemic that reduced global oil demand. The current geopolitical backdrop along with the continued conflict between Russia and Ukraine likely provide tailwinds to crude shipping rates globally. In early September, takeover speculation pushed the stock higher when large shareholder Famatown Finance Limited (a company indirectly controlled by the trusts of shipping magnate John Fredriksen) issued a press release stating that Famatown and its representatives presented to the management team of International Seaways and requested the addition of two representatives to the Board of Directors.

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Chord Energy Corporation (CHRD - $136.77 – NASDAQ) is an exploration and production company with acreage located in the Williston Basin in North Dakota. The newly formed company is a merger of Oasis Petroleum and Whiting Petroleum. It reported a strong inaugural quarter and a favorable return of free cash flow framework for shareholders. The company will return 75% of free cash flow if its leverage ratio remains below 0.5x and will return 50% of free cash flow if leverage remains below 1.0x. The company expects to return free cash flow to shareholders in the form of base and variable dividends and share repurchases.

Winnebago Industries (WGO - $53.21 - NYSE) is a leading manufacturer of towable and motorized recreational vehicles. Winnebago continued to report very strong quarterly results with another record during the quarter. On a year-over-year basis, the company grew revenues 52%, increased gross margins by 100 basis points, and increased earnings per share 84%, aided by $70 million of share repurchases. However, management noted on the quarterly conference call that a moderation in results is likely as record backlogs start to decline and dealer inventories normalize.

The three largest detractors in the quarter were:

Spectrum Brands Holdings (SPB - $39.03 – NYSE) is a diversified manufacturer of consumer products operating in four segments including Home & Garden, Global Pet Care, Home & Personal Care, and Hardware & Home Improvement. It sells leading brands such as Cutter bug spray, George Foreman grills, and KwikSet locks. The stock fell sharply after the US Department of Justice sued the company to stop the sale of its Hardware & Home Improvement business to ASSA ABLOY on antitrust grounds. Both Spectrum Brands and ASSA ABLOY have stated that they are committed to closing the deal and will fight this lawsuit in court. A completed deal would substantially reduce debt at Spectrum and likely lead to significant return of capital to shareholders. Should the companies be unsuccessful in litigation, Spectrum would receive a $350 million breakup fee and would likely try to find another buyer.

Primoris Services (PRIM - $16.25 - NASDAQ) is a diversified engineering and construction company focused on the construction of pipelines, utility-scale transmission and distribution systems, telecom, and heavy civil projects. Primoris reported disappointing earnings despite posting record revenues in the quarter. The main drivers of this miss were much higher fuel and labor costs within its Utility segment and worse than expected performance within its Pipeline segment. The Pipeline segment performance was expected to underperform but the 50% decline in revenue year-over-year and the corresponding margin collapse was worse than expected and was mostly driven by large project close-outs last year that did not repeat. Total company backlog stands at a record of $4.6 billion and the outlook for the Utility and Renewable segments remains robust.

TTEC Holdings (TTEC - $44.31 - NASDAQ) supplies outsourced customer care services to large companies and governments. It uses call centers as well as electronic contact centers to help its clients serve their customers. The stock fell sharply after the company announced second quarter earnings that were in line with expectations but reduced its forward outlook significantly. Two factors led to the downgrade in guidance. First, bookings were a little slower than expected and the transition from contract win to revenues is taking longer than expected. Second, the impact on profitability from the run-off of pandemic-related "surge" work is higher than previously understood.

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 7, 2022

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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 9/30/2022)

	KSDVX No Load	KSDVX Load	Russell 2000 Value
1 Year	-12.13%	-16.09%	-17.69%
5 Year	2.32%	1.38%	2.87%
10 Year	6.93%	6.44%	7.94%
Since Inception**	9.05%	8.66%	9.24%

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)
September 30, 2022

Name	Weight (%)	Name	Weight (%)
Griffon Corporation	2.53%	Chord Energy Corporation	1.84%
South Jersey Industries, Inc.	2.37%	Hillenbrand, Inc.	1.77%
Ensign Group, Inc.	2.37%	Perrigo Co. Plc	1.76%
Nexstar Media Group, Inc.	2.05%	Cambridge Bancorp	1.75%
Independent Bank Group, Inc.	1.97%	ABM Industries Incorporated	1.71%

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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