KEELEY Funds
A Gabelli Group Company

Small Cap Dividend Value Fund

To Our Shareholders,

For the quarter ended September 30, 2023, the Keeley Small Cap Dividend Value Fund's net asset value ("NAV") per Class A share fell 3.0% compared with a 3.0% drop in the Russell 2000 Value Index. For the year-to-date, the Fund trails its benchmark by 2.3%, down 2.9% vs. a 0.5% decline for the Index.

Commentary

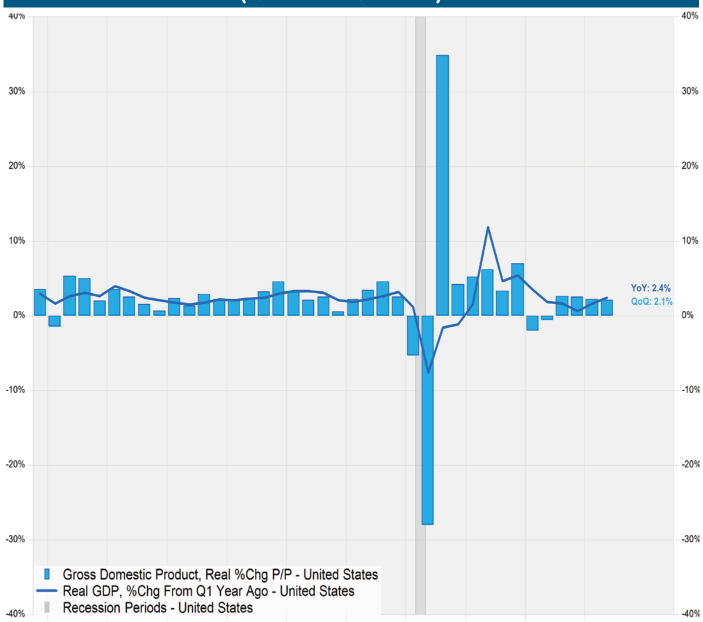
After a strong start to the year and a very good second quarter, stocks retreated somewhat in the third quarter. The third quarter ended with a typically weak September. In the stock market, September is the only month that broadly has a negative average monthly return. Since 1978, the average return for the S&P 500 in September is -0.52%. Over that time period, the market rose in only 51% of Septembers. In most other months, it is up more than 60% of the time.

Market Performance

As of September 30, 2023	3 Months	Year-to-Date	1-Year
S&P 500 Index	-3.3%	13.1%	21.6%
Russell 3000 Value Index	-3.2%	1.7%	14.0%
Russell 3000 Index	-3.3%	12.4%	20.5%
Russell 2500 Value Index	-3.7%	2.0%	11.3%
Russell Midcap Value Index	-4.5%	0.5%	11.0%
Russell 2000 Index	-5.1%	2.5%	8.9%
Russell 2000 Value Index	-3.0%	-0.5%	7.8%
Bloomberg Barclays Agg. Bond Index	-3.2%	-1.2%	0.6%

Source: eVestment.

USA Real GDP Growth (Q4 2013 - Q2 2023)



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

While there have been some famously bad Octobers, on average the market rises. The fourth quarter has historically been the best quarter of the year for stocks with an average quarterly return of 5.4% and a 73% hit rate since 1978.

As we look over the next year, we see both positives and negatives. How they develop will likely determine the course of the market.

Reasons for optimism

• **Economic growth looks strong.** We could point to a lot of indicators here, but the Atlanta Fed's GDPNow currently stands at 4.9%. Nearly 5% growth is a pickup from the first half and the acceleration comes despite a tougher comparison.

• **Estimates have stabilized.** Earnings estimates for the S&P 500 began to fall when the Fed started to raise interest rates. From March 2022 to June 2023, the 2024 estimate fell about 11% and fell almost every month. Since then, it has risen slightly.

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 9/30/23. 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.

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• **Valuations do not look stretched.** At the end of the quarter, the forward P/E on the S&P 500 was 17.9x. This is up from a year ago and above the long-term average but is not in the "danger zone" where forward returns have been negative. Midcaps and small caps look especially appealing as they both trade below their long-term averages.

• **Seasonality is on our side.** Since 1979, the average return in the fourth quarter of the year has been 5.4% for the S&P 500. It has appreciated in 73% of fourth quarters since then. In the quarters where the market was down in the third quarter, the S&P averaged a 6.7% gain and was up thirteen out of fifteen times.

Causes for concern

• **The recent surge in oil prices could reignite inflation.** While food and energy are typically excluded from many calculations of inflation, energy is an important input into many elements that are included in inflation. If inflation increases, rates will likely go higher, or stay higher longer than investors currently anticipate and will increase the odds of an economic downturn.

• **The rise in longer-term interest rates could persist.** Longer-term interest rates should reflect investor expectations of what short-term rates should average over the longer time period. With the US government's accumulated deficit surpassing $33 trillion and the increase in rates over the last eighteen months, interest expense has become an important expenditure.

• **Earnings estimates for 2024 might be optimistic.** According to FactSet, current consensus estimates project 12% earnings growth for the S&P 500 and 34% growth in profits for the Russell 2000 in 2024.

• **Geopolitical events have cast a cloud on world peace.** The war in Europe and the turmoil in Congress make the geopolitical outlook a bit more unsettled than usual.

Overall, we think the outlook appears fairly balanced. Our process is built on the pillars of quality, timeliness, and value. At this juncture, we lean more heavily on quality. Our bottom up process seeks companies that can sustain their dividends in a higher rate environment.

Portfolio Results

The Fund performed in line with the Russell 2000 Value Index. The Keeley Small Cap Dividend Value Fund fell 3.0% in the third quarter, the same as the 3.0% loss in the benchmark.

Allocation and Dividends helped performance in the quarter. We disaggregate performance into three factors: Dividend vs. non-dividend, Sector Allocation, and Stock Selection. In the third quarter, dividends and allocation were slightly favorable, while stock selection was a push.

• We estimate dividend-payers within the Russell 2000 Value index outperformed the overall index by more than 200 basis points. It is sometimes difficult to disaggregate this factor from the other two, but we did not capture as much of this tailwind as we would have liked.

• Sector Allocation had a bigger impact on relative performance than it usually does. In fact, Sector Allocation had the biggest impact on relative performance this quarter. A small underweight in the weak-performing Technology sector helped a little, but the lion's share of the outperformance came from the Fund's underweight positioning in the Health Care sector. The Fund has consistently been underweight Health Care largely owing to the fact that about half of the index's Health Care weight is in biotechnology stocks and none of them pay dividends. Biotechnology performed poorly in the quarter.

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• Stock Selection had little impact on overall relative performance and only a couple sectors stood out either positively or negatively. Stock Selection in Health Care was a significant positive, while it was a detractor in the Consumer Discretionary and Industrials sectors. It did not rise above noise in the other eight sectors.

The details for those who want to dig deeper.

• **Health Care** – Health Care was the worst-performing of the eleven sectors in the third quarter. Most of the decline was due to a steep drop in the shares of biotechnology companies. Because none of them pay dividends, the Fund does not own any. That helped this quarter. Aside from that, the Fund's holdings produced mixed results. All were down, but Chemed and Ensign were only down by low-single-digit percentages. On the other side of the ledger, Embecta and Premier produced 20%+ losses.

• **Consumer Discretionary** – Stocks in the Consumer Discretionary sector lagged the Russell 2000 Value index and the Fund's holdings fell a little more. Most of the disappointment came from a sharp fall in the shares of Jack in the Box which is discussed in the Let's Talk Stocks section of this report. Marriott Vacations also fell in the quarter and detracted from performance. On the positive side, Kontoor Brands and Shoe Carnival rose in the quarter.

• **Industrials** – The Industrials sector fell a little more than the overall market and the Fund's holdings fell a little more than the benchmark. That said, there was a whole lot of action within the sector as it included one of the Fund's biggest contributors (Argan) and one of the biggest detractors (Spirit). Both are discussed later in this report.

During the quarter, we bought one new stock and sold four stocks.

Let's Talk Stocks

The top three contributors in the quarter were:

TechnipFMC (FTI - $20.34 – NYSE) manufactures highly-engineered equipment and systems that are critical to the production of oil & gas in both offshore and onshore projects. Not only was there a significant move up in commodity prices that saw domestic crude oil prices climb to the low-$90 per barrel level from the high-$60s, but Technip FMC also saw a record quarter of orders for subsea equipment in offshore projects. The outlook for the number of offshore projects that may go forward has improved, which gives management high confidence that the elevated order rate in this business is sustainable. Furthermore, the company instituted a framework to return 60% of its free cash flow to shareholders which included the initiation of a regular dividend and the doubling of its existing share repurchase authorization.

Argan, Inc. (AGX - $45.52 – NYSE) specializes in the construction of power generation assets including gas-fired electrical plants, solar projects, and grid-scale battery installations. Argan reported an excellent second fiscal quarter, effectively leaving behind the previous quarter's setback. Argan demonstrated strong project execution with a notable increase in revenues, a significant improvement in gross margin, and the achievement of several new project milestones. The company also secured two large new projects including a noteworthy win in the renewables market. These wins slightly increased Argan's backlog. Its cash-rich balance sheet not only provides stability to the business but is now generating more interest income which contributed to earnings growth. Finally, Argan continues to return capital to shareholders. It has retired approximately 16% of its outstanding shares since November 2021 and recently increased its quarterly dividend by 20%.

ChampionX Corporation (CHX - $35.62 – NYSE) is a market leader in both chemicals used in the production of oil & gas and lifting systems that bring commodities to the surface for gathering in production. Shares of ChampionX clearly benefitted from a favorable backdrop of rising oil prices globally in the wake of OPEC supply reductions. Moreover, management increased its profit margin target because of improved pricing and cost reduction efforts. The company also remains on track to return at least 60% of its free cash flow to shareholders this year. We see a shift toward more offshore oil production as beneficial to the company's production chemical business.

The three largest detractors in the quarter were:

OUTFRONT Media (OUT - $10.10 — NYSE) is a Real Estate Investment Trust (REIT) that is one of the leading providers of advertising space on out-of-home structures in the form of billboards and transit displays. OUTFRONT reported a difficult quarter as its Transit business continues to be impacted by the slow return to the office, particularly in New York City. This not only led to disappointing in-quarter results but led the company to write down the value of the assets linked to the recent NYC Transit display upgrade. Management also highlighted that it anticipates the weakness in Transit to persist well into 2024. Not all of the news was bad as the core billboard business generated solid revenue growth and the per-board yield increased by 5% year-over-year. Despite the headwinds, we believe OUTFRONT is favorably positioned to benefit from the recovery in Transit once return-to-office trends normalize. Furthermore, it continues to have a large opportunity to convert static billboards to digital, a good source of revenue and earnings growth.

Spirit AeroSystems (SPR - $16.14 – NYSE) manufactures fuselages and aftermarket parts to support commercial and defense aircraft production, primarily for Boeing. During the quarter, the company was forced to slow production on the 737 MAX due to an engineering flaw in a key component made by one of its suppliers. Spirit alerted Boeing to this flaw which triggered a Spirit-funded inspection program which will cause further delays in 737 MAX production. This will also hamper the company's ability to return to positive free cash flow. While the fragility of the commercial aerospace supply chain has been frustrating and compounded at times by Spirit directly, we believe demand for this aircraft by airlines remains strong globally. Eventually, production will return, and Spirit will benefit.

Jack in the Box Inc. (JACK - $69.06 – NADSAQ) operates and franchises quick-service restaurant chains Jack in the Box and Del Taco. During the third quarter, shares declined after the company did not increase its full-year revenue and earnings guidance despite reporting earnings that topped expectations. The stock also came under pressure from dynamics related to wages and franchises. The company has meaningful operations in California, where a recently amended law guarantees a $20 minimum wage at large, fast-food chains, thus increasing the company's labor costs. As for franchises, Jack in the Box's ongoing effort to develop new restaurant locations with franchise partners now may be at risk due to the macroeconomic picture including higher interest rates. Despite these cross currents, Jack in the Box remains in a position to continue to grow same-store sales through menu innovations, digital growth, and operational excellence.

Conclusion

In conclusion, thank you for investing along with us in the KEELEY Small Cap Dividend Value Fund. We will continue to work hard to justify your confidence and trust.

October 10, 2023

Small Cap Dividend Value Fund

*The Fund's inception date is December 1, 2009.

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, 2024 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 9/30/2023)

	KSDVX No Load	KSDVX Load	Russell 2000 Value
1 Year	10.67%	5.70%	7.84%
5 Year	3.32%	2.37%	2.59%
10 Year	5.79%	5.30%	6.19%
Since Inception*	9.16%	8.80%	9.14%
Expense Ratio (Gross)**		1.48%	
Waiver/Expense Reimbursement**		-0.19%	
Expense Ratio (Net)**		1.29%	

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, 2023

Name	Weight (%)
TechnipFMC plc	3.03%
Primoris Services Corporation	2.51%
Spectrum Brands Holdings, Inc.	2.30%
Ensign Group, Inc.	2.08%
Argan, Inc.	1.97%

Name	Weight (%)
CareTrust REIT, Inc.	1.96%
Kontoor Brands, Inc.	1.90%
Air Lease Corporation Class A	1.85%
ChampionX Corporation	1.85%
STAG Industrial, Inc.	1.82%

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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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.

KEELEY Funds
Direct Shareholders: 800-422-2274
Investment Professionals: 800-422-2274
National Accounts: 800-533-5344
info@keeleyfunds.com

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800-422-2274