KEELEY
Funds
A Gabelli Group Company

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 6/30/24. 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 800.422.2274 or visit www.keeleyfunds.com. The prospectus/summary prospectus should be read carefully before investing.

To Our Shareholders,

For the quarter ended June 30, 2024, the Keeley Small Cap Dividend Value Fund's net asset value ("NAV") per Class A share fell 0.4% compared with a 3.6% decline in the Russell 2000 Value Index. For the year-to-date, the Fund is up 4.5% while the benchmark is down 0.8%.

Commentary

Only two things mattered in the first half. The dominant theme during most of the first half was the ratcheting down of expectations for interest rate cuts by the Federal Reserve. The year started with investors expecting up to six rate cuts during the year and the first half ended with questions about whether there would be even one. A separate driver of performance for larger cap stocks was growing investor enthusiasm for all things related to artificial intelligence. We saw some of that last year, but even more this year, which drove the shares of Nvidia to be the best performing stock in the S&P 500 in the first half overall and the fourth best in the second quarter.

Market Performance

As of June 30, 2024	3 Months	YTD	1-Year
S&P 500 Index	4.3%	15.3%	24.6%
Russell 3000 Value Index	-2.3%	6.2%	12.9%
Russell 3000 Index	3.2%	13.6%	23.1%
Russell 2500 Value Index	-4.3%	1.5%	11.2%
Russell Midcap Value Index	-3.4%	4.5%	12.0%
Russell 2000 Index	-3.3%	1.7%	10.1%
Russell 2000 Value Index	-3.6%	-0.8%	10.9%
Bloomberg Barclays Agg. Bond Index	0.1%	-0.7%	2.6%

Source: eVestment.

The performance difference between small caps and large caps widened in the second quarter. In the second quarter, the Russell 2000 index of small cap stocks fell 3.3% compared to a 5.7% gain in the Russell Top 200. This built on the 5.5% lead large cap stocks took in the first quarter. According to the brokerage firm Jefferies, the first half underperformance by small caps is its worst since 1973 and the sixth worst since 1929.

Driven almost entirely by the largest companies. The performance of the overall market, as measured by the Russell 3000, shows that the top decile of stocks by market cap accounted for 12.5% of the 13.6% total return. Furthermore, the top ten stocks contributed 64% of the gain (8.0 percentage points). The bottom half contributed almost nothing. It was even more extreme in the second quarter as the largest decile added 9.9 percentage points, while the Russell 3000 was up only 3.2%. The top ten accounted for 6.2 percentage points alone! Furthermore, the simple average of returns was negative for each decile, including the top one and the average stock in the bottom decile declined 9%.

Concentration in the market is at historic highs. We estimate that the top ten stocks now represent 30% of the overall index weight compared with 20% at the end of 2019. The Russell 2000, on the other hand, accounts for only 5% of the total market cap of the Russell 3000. This is a thirty-year low and is about half of what it was in 1994.

The largest stocks are the most expensive. Price appreciation in the largest cap stocks has outstripped their earnings growth so they have become more expensive. We estimate that the average (non-weighted) forward P/E ratio for companies in the top decile of the Russell 3000 is 29x next twelve months' EPS. This compares to 21x for the bottom half. The top ten trade at a 36x average P/E.

This should eventually matter. The multiple on the S&P 500 stood at 21.9x at the end of June. This is about 1.9 standard deviations above the 20-year average of 16.4x. In contrast, the S&P 400 Midcap and S&P 600 Smallcap indexes trade below their 20-year averages. While the view that the market is not cheap is not wrong given that large cap stocks represent more than 80% of it, it does not mean that there are not opportunities; potentially thousands of them in the areas we focus on!

Let's discuss dividends. We will discuss this topic more in the mid-year version of our Semi-Annual Dividend Tracker but we think it is noteworthy that two of the largest non-dividend payers, Meta and Alphabet, decided to initiate dividends and one of the fastest growing companies in the US, Nvidia, raised its dividend 150% after not changing it for more than five years. These companies generate an enormous amount of free cash flow and do not have great options to deploy it. They are large and highly profitable businesses and most businesses that they would buy are not as good as the one they have or are too small to make a large dent in the free cash flow. Finally, the rise in share prices and interest rate changes the math on the accretion potential of buybacks.

Portfolio Results

The Fund performed very well in the second quarter. The Keeley Small Cap Dividend Value Fund fell only 0.4% while its benchmark, the Russell 2000 Value index declined 3.6%. This added to the Fund's good first quarter so that the Fund is now up 4.5% on a year-to-date basis compared with a 0.8% decline in the benchmark.

All three factors contributed to the Fund's outperformance. We disaggregate performance into three factors: Dividend vs. non-dividend, Sector Allocation, and Stock Selection. In the second quarter, all three factors helped performance as dividend payers outperformed non-dividend-payers and Sector Allocation and Stock Selection were positive. Stock Selection was the biggest driver of the outperformance.

- We estimate dividend-payers within the Russell 2000 Value index fell about 150bps less than the overall index.

- Sector Allocation was a slight positive to relative performance. The biggest contributors to this factor were a slight underweight in the Health Care sector, specifically a lack of holdings in Biotechnology, and a slight overweight in the Financials sector.

- Stock Selection drove most of outperformance in the quarter, although it is admittedly difficult to extract the outperformance of dividend-payers from this observation. Nonetheless, the Fund's holdings outperformed their sectors in seven of the eleven sectors and lagged in only one. The greatest positive impact on relative performance came in the Industrials, Consumer Staples, Financials, and Energy sectors while only Materials lagged in a meaningful way.

More details on performance.

- **Industrials** – The Industrials sector is one of the larger sectors in the Russell 2000 Value index and lagged the overall market in the second quarter. The Fund's holdings performed much better in that they were up and were the third best performing sector in the Fund on an absolute basis. Two of the Fund's three largest contributors in the quarter were Industrial stocks, Argan and Primoris. Both companies' shares appreciated after reporting strong earnings and backlogs. We discuss them further in the Let's Talk stocks section of this update. One of the Fund's biggest detractors, Hillenbrand, was also from the Industrials sector and we discuss it later as well.

- **Financials** – The Financials sector is the largest in the benchmark and shares in this sector outperformed the overall index. The Fund's holdings performed even better and were up compared to a decline in the sector and the index. Most of the gain came from a 50% increase in the shares of Macatawa Bank after it agreed to be acquired. The Fund had three other holdings post double-digit returns in the quarter. Partly offsetting this strength was that fourteen of the Fund's twenty-three positions declined in the quarter and four fell by more than 10%.

• **Consumer Staples** – Consumer Staples is a small sector that slightly lagged the overall Russell 2000 Value index. The Fund's holdings performed better and appreciated in the quarter. The sector's gains within the Fund were led by Primo Water. While the company announced a transformational acquisition late in the quarter, most of the gain came prior to that and was driven by continuing strong financial results.

• **Energy** – The Energy sector is a mid-sized one that performed about in line with the overall index. The Fund's holdings performed better and were up during the quarter. Furthermore, three of the Fund's stocks were up, while three were down. Strangely, one of the stocks declining in the quarter was ChampionX, a supplier of drilling and production tools and chemicals, which agreed to be acquired by Schlumberger at the beginning of the quarter.

• **Materials** – Materials is another small sector that performed in line with the overall market. The Fund's holdings lagged in the sector. Double-digit declines in Mercer International and Olin accounted for most of the performance shortfall. Olin was one of the three biggest detractors and is discussed later in this report.

During the quarter, we initiated one new position and completed the sale of one holding.

Let's Talk Stocks

The top three contributors in the quarter were:

Macatawa Bank Corporation (MCBC - $14.60 – NASDAQ), a leading community bank in the Grand Rapids, MI area, delivered the Fund's largest positive contribution and was the Fund's best performing stock with a 50% gain in the quarter. Almost all the gain came on one day, April 16th, when Macatawa announced it would be acquired by Wintrust Financial for $14.85/share in stock. We are not only happy with the gain, but also encouraged by the recent thawing in the market for bank mergers. The Fund also owns Wintrust and the reaction in that stock was not negative, as it has been for many bank acquirers over the last several years. Bank stocks remain cheap, and we think the Fund's holdings are well positioned to ride out the current interest rate cycle and a potential M&A wave.

Argan, Inc. (AGX - $73.16 – 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 fiscal quarter with revenues accelerating 52%, driven in part by strong project execution on the Trumbull Energy Center in Ohio, numerous renewable energy projects, and accelerating industrial services work driven by reshoring activity in the Southeastern US, a stronghold for Argan. The company had another solid quarter of project wins, receiving full notice to proceed on two renewable projects in Illinois, limited notice to proceed on a large 405 MW solar project, and a letter of intent for a large LNG gas turbine project. On the earnings call, management noted growing opportunities in Texas to support its initiatives to add base load power generation to satisfy the state's growing power needs. In addition, Argan's cash-rich balance sheet not only provides stability to the business but is now generating a noteworthy amount of interest income, which contributed to earnings growth.

Primoris Services (PRIM - $49.89 – NYSE), a diversified engineering and construction company specializing in pipelines, utility-scale transmission and distribution systems, telecom, and heavy civil projects made the top three contributors list for the second quarter in a row. The company delivered solid financial results with revenue growth of

12% in a typically seasonally weak quarter, driven by renewables growth in its Energy segment. Additional growth drivers emerged in the quarter as well, highlighting increased demand for its Industrial Services and increased interest in its service offerings for power generation given the anticipated growth in power hungry data centers. Primoris remains well-positioned to capitalize on the strong secular growth trends in electrification, particularly utility-scale solar, reindustrialization supported by government investment, and emerging conventional power opportunities driven by accelerating power consumption partly due to growth in data centers.

The three largest detractors in the quarter were:

Perrigo Company (PRGO - $25.68 – NYSE) is one of the leading manufacturers of over the counter (OTC) health and wellness products. The company's earnings fell from a year ago, although not as much as expected. This quarter felt the brunt of the cost and revenue impacts from major enhancements to its infant formula manufacturing process driven by new federal regulations. Management expects the company to get back on track in the second half of 2024 as the infant formula business starts to normalize. In addition, Perrigo is progressing with its operational initiative called "One Perrigo," which aims to simplify the business and improve the overall cost structure, setting the company on a path for sustainable, accretive growth going forward.

Hillenbrand, Inc. (HI - $40.02 – NYSE) is a diversified manufacturer of systems and components for a variety of industrial applications. The company reported fiscal second quarter results that were in-line with investor expectations, but management lowered its annual earnings forecast due to prolonged weakness in its Molding Technologies Solutions segment. The automobile and consumer durable goods industries represent key end markets for this segment and much of the activity is in China. Unfortunately, demand in these areas has been uneven and downturns in this segment tend to last a while.

Olin Corporation (OLN - $47.15 — NYSE) is a leading producer of commodity chemicals used in a wide variety of industrial applications, including PVC pipe and vinyl products. Olin also produces small caliber ammunition under the Winchester brand. Olin reported first quarter results that showed sequential improvement in both its Winchester segment and its beleaguered Epoxy segment. However, earnings in its Chlor-Alkali business created a baseline that requires a steep sequential recovery to reach its 2024 profitability target of $1.3 billion in EBITDA. The company implemented a pricing strategy that has served it well in the past several years which gives us confidence that management can execute.

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.

June 30, 2024

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, 2025 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 6/30/2024)

	KSDVX No Load	KSDVX Load	Russell 2000 Value
1 Year	14.76%	9.60%	10.90%
5 Year	7.65%	6.66%	7.07%
10 Year	6.33%	5.84%	6.23%
Since Inception*	9.93%	9.59%	9.65%
Expense Ratio (Gross)**		1.50%	
Waiver/Expense Reimbursement**		-0.21%	
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)
June 30, 2024

Name	Weight (%)	Name	Weight (%)
TechnipFMC plc	2.78%	Victory Capital Holdings, Inc. Class A	2.13%
Primoris Services Corporation	2.76%	CareTrust REIT, Inc.	2.09%
Kontoor Brands, Inc.	2.49%	Air Lease Corporation Class A	1.78%
Ensign Group, Inc.	2.41%	ABM Industries Incorporated	1.73%
Spectrum Brands Holdings, Inc.	2.19%	STAG Industrial, Inc.	1.66%

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

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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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