



KEELEY
funds

The Disciplined
Discovery of Value®



Did you know that some small and mid-cap stocks also pay dividends?

While small and mid-cap stocks have generally outperformed larger-cap stocks over the long term, investors recognize the higher risk associated with these small and mid-cap stocks. ***But what if there was a way to moderate this risk?*** The answer: dividend paying small and mid-cap stocks, in most cases, may reduce the volatility associated with these market caps.

Dividend Investing at KEELEY Funds

Investment Philosophy

We believe that small and mid-cap dividend paying stocks may represent an attractive, long-term opportunity to reduce the volatility typically associated with investing in smaller companies. Fundamental, bottom-up research allows us to identify stocks supported by credible management teams, positive free cash flows and healthy balance sheets. With an active management approach, we strive to dynamically construct a portfolio that seeks to minimize the risks typically associated with these stocks.

Uncommon Investment Sense

Over the long haul, dividend-paying stocks may offer investors both the possibility for capital appreciation and potential income in the form of a dividend. In addition, during times of low interest rates and rising equity markets, investors have historically sought out dividend-paying equities to complement lower-yielding fixed income positions. Our dividend funds seek to mitigate downside risk with the use of dividend-paying stocks.

There are no guarantees that any investment strategy will be successful or will meet its objectives. The companies held by the Funds may reduce or stop paying dividends, which may affect the Funds' abilities to generate income. The Adviser's approach in selecting dividend-paying securities may go out of favor with investors. This may cause the Funds to underperform relative to other mutual funds that do not emphasize dividend paying stocks.

Before investing, investors should carefully read the Fund's Prospectus, which more fully describes the Fund's investment objective, risks and charges and expenses. Copies of the Funds' Prospectus and Summary Prospectus can be obtained from the KEELEY Funds' website at



KEELEY funds

Evaluating Quality

Four Categories of Dividend Paying Companies

We believe that diversification is a critical component to the universe of small and mid-cap stocks and we focus our research across a broad array of dividend-paying stocks (i.e., not just high yield or high growth).

In evaluating the overall quality of a company, we view the investment universe through the four distinct areas shown below. Depending on company-specific valuations, as well as the current macroeconomic environment, our team will independently categorize small and mid-cap stocks into each of these groups:



From these four categories, fundamental research helps our team assess the sustainability of a company's dividend by analyzing:

- **Cash flow:** the most important element as it is the ongoing cash flow that supports the payment of dividends.
- **Balance sheet:** due to the potential vagaries of cash flows, the balance sheet may need to support the dividend payment.
- **Dividend history:** management's past decisions and current thinking regarding its payout ratio are important considerations.

Investment Process

We offer two mutual funds focused on dividend-paying equities – the **KEELEY Small Cap Dividend Value Fund** and the **KEELEY Mid Cap Dividend Value Fund**. The Small Cap Dividend Value Fund defines its investment universe as companies with a market capitalization within the range of the Russell 2000® Value Index at the time of investment. The Mid Cap Dividend Value Fund focuses on companies with a market capitalization within the range of the Russell Midcap® Value Index at the time of Investment.

KEELEY Fund	Market Cap Universe	# of Companies in Universe	# of Dividend Payers in Universe
Small Cap Dividend Value	\$200 million - \$4.0 billion	2,193	958
Mid Cap Dividend Value	\$2 billion - \$20 billion	1,101	692

Source: Factset as of December 31, 2016.

We narrow the field and identify potential investment candidates by working from these respective dividend-paying universes. As we approach the universe of eligible stocks, we seek to develop an investment thesis and determine intrinsic worth by asking a number of key questions:

- Investment thesis: why do we believe the company is valuable and why do other investors fail to see that value? What will happen over the next 12-24 months that will either increase the stock's value or investors' perception thereof?
- Intrinsic worth: what is our risk assessment and target price?

To develop the investment thesis, we evaluate the company's market position and industry prospects and try to understand its sources of competitive differentiation. Three key elements shape the specific factors we evaluate.

First, we perform a thorough analysis to determine the strength of the franchise and its management team by evaluating industry structure and growth, as well as the company's market share.

Next, we evaluate whether or not the company's future prospects are greater than its recent past by looking at new market entrants or products as well as the business cycle.

Finally, we ascertain whether or not the company's stock is trading at a discount to its intrinsic value by digging into the balance sheet and understanding the company's cash flow.

This comprehensive analysis helps shape our investment thesis and helps us understand why other investors may be avoiding a particular stock – it is this lack of interest that piques our own.

Portfolio Construction

It is through disciplined, fundamental analysis that we seek to clearly understand the potential risks associated with each company – or group of companies. While this analysis gets greater emphasis, effective risk management requires a more complete process. Dividend-paying companies are not traditionally (or equally) represented across all economic sectors. Therefore, a policy to maintain a minimum threshold of diversity is important in being significantly over/underweight. In order to maintain a diversified portfolio of dividend-paying stocks, we generally limit sector weights to within 5% (+/-) of the applicable benchmark weight. At the individual position level, sizes are limited to a maximum weight of 5%. In general, investors can expect between 60-90 holdings in the Funds, with an average of 75 positions.

Sell Discipline

Positions are monitored and specific stocks are reviewed for sale when:

- Our investment thesis is adversely impacted by stock fundamentals
- A dividend is in jeopardy, or reduced
- The stock's performance is lagging the sector or peer group
- Milestones have not been achieved
- The price target has been achieved
- A better risk/reward opportunity emerges

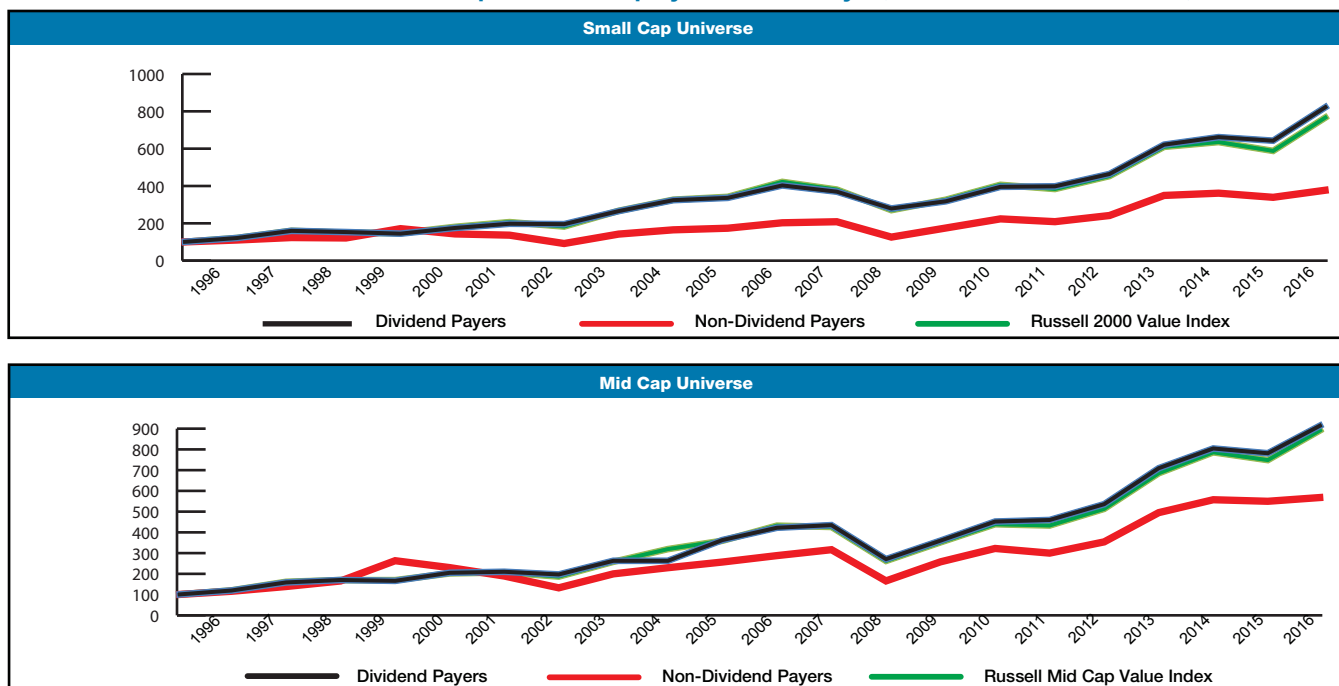
Managing Downside Risk

Small and mid-cap stocks are generally more volatile than large-caps, particularly during periods of broader market uncertainty or extreme sell-off environments. It is during these times that dividends may offer a cushion against aggressive declines, while simultaneously capturing the upside of the broader index.

Consistency

Dividend paying companies typically exhibit attractive financial characteristics such as steady cash flows and low debt. Itemized on a company's balance sheet, an investor is able to determine whether a company is strong enough financially to initiate, sustain, grow or cut its dividend. In the case of small or mid-cap companies that have solid balance sheets with excess cash (i.e., profit or free cash flow), investors may be able to benefit from a consistent dividend as part of their total return. However, not all stocks are created equal. It is important to identify the most attractive stocks within the applicable dividend paying universe.

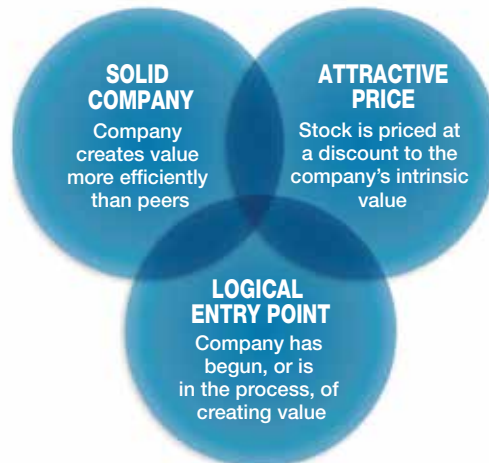
Performance of small and mid-cap dividend payers: January 1, 1996 - December 31, 2016



Source: Factset: December 31, 1995 - December 31, 2016. \$100 investment begins December 31, 1995.

Small Cap Universe "Dividend Payers" are defined for the purpose of this chart as companies within the Russell 2000® Index which pay an annual dividend. Mid Cap Universe "Dividend Payers" are defined for the purpose of this chart as companies within the Russell Midcap® Index which pay an annual dividend. "Non-Dividend Payers" are the remaining equities within each respective index, not included in the definition of a "Dividend Payers".

KEELEY Dividend Value Funds



KEELEY Small Cap Dividend Value Fund

Inception: December 1, 2009
Investor Class (A) Shares: **KSDVX**
Institutional Class (I) Shares: **KSDIX**

KEELEY Mid Cap Dividend Value Fund

Inception: October 1, 2011
Investor Class (A) Shares: **KMDVX**
Institutional Class (I) Shares: **KMDIX**

Risks of Investing

The Funds are subject to the typical risks of equity investing, including loss of money, company-specific risks, the effects of interest rate fluctuations, investor psychology and other factors. The value of your investment will increase or decrease so your shares may be worth more or less money than your original investment.

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.

Before investing, investors should carefully read the Fund's prospectus, which more fully describes the Fund's investment objective, risks and charges and expenses. Copies of the Funds' Prospectus and Summary Prospectus can be obtained from the KEELEY Funds' website at www.KeeleyFunds.com. The prospectus should be read carefully before investing.



Portfolio Managers

Thomas E. Browne, Jr., CFA

Mr. Browne joined Keeley Teton upon its operational inception on March 1, 2017 and has 31 years of investment experience. Prior to that date, Mr. Browne served as a Portfolio Manager (2009-2017) of the Small Cap Dividend Value and Mid-Cap Dividend Value strategies on behalf of Keeley Asset Management Corp. ("KAMCO"). Before joining KAMCO, he was a Portfolio Manager in charge of Oppenheimer Capital's small-cap core and small-cap value strategies. Prior to that, Mr. Browne managed a mid-cap portfolio for SEB Asset Management and was an analyst at small-cap investment firm Palisade Capital Management. Earlier in his career, Mr. Browne was a sell-side technology services analyst for Prudential Securities and was twice recognized in the Wall Street Journal's Best on the Street survey. Mr. Browne earned his M.B.A. from New York University Stern School of Business and his B.B.A. from the University of Notre Dame. In addition, Mr. Browne holds the Chartered Financial Analyst designation from the CFA Institute.

Brian P. Leonard, CFA

Mr. Leonard joined Keeley Teton upon its operational inception on March 1, 2017 and has 18 years of investment experience. Prior to joining Keeley Teton, Mr. Leonard served as a Portfolio Manager (2009-2017) and Research Analyst and Client Service Associate (2004-2009) with KAMCO. While employed by KAMCO, Mr. Leonard managed client portfolios for KAMCO's historical clients in a manner consistent with the strategies he currently manages for Keeley Teton. Before joining KAMCO, Mr. Leonard was an Associate with CRA RogersCasey from 1998 to 2004. Brian earned his M.S. in finance from St. Xavier University's Graham School of Management and his B.S. from DePaul University. In addition, Mr. Leonard holds the Chartered Financial Analyst designation from the CFA Institute.

Performance as of March 31, 2017

Keeley Small Cap Dividend Value Fund

	3 months	YTD	1 Year	3 Years	5 Years	10 Years	S.I.
KSDVX Class A - without load	-0.57%	-0.57%	23.70%	6.71%	11.37%	N/A	13.82%
KSDVX Class A - with load	-5.05%	-5.05%	18.11%	5.09%	10.36%	N/A	13.11%
KSDIX Class I	-0.50%	-0.50%	24.04%	6.98%	11.65%	N/A	14.10%
Russell 2000 Value	-0.13%	-0.13%	29.37%	7.62%	12.54%	N/A	13.40%

Keeley Mid Cap Dividend Value Fund

	3 months	YTD	1 Year	3 Years	5 Years	10 Years	S.I.
KMDVX Class A - without load	3.04%	3.04%	23.18%	9.91%	13.94%	N/A	17.11%
KMDVX Class A - with load	-1.59%	-1.59%	17.65%	8.24%	12.90%	N/A	16.13%
KMDIX Class I	3.06%	3.06%	23.42%	10.18%	14.22%	N/A	17.39%
Russell Midcap Value	3.76%	3.76%	19.82%	8.94%	14.07%	N/A	18.49%

Index Definitions

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 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.

Investment Adviser

The investment adviser for the Funds is Keeley Teton Advisors, LLC. ("The Adviser"), 111 West Jackson Blvd, Suite 810, Chicago, Illinois 60604. The Adviser supervises, administers and continuously reviews the Funds' investment programs, following policies set by the Funds' Board of Directors and detailed in each Funds' Prospectus and Statement of Additional Information.

The Funds are administered by US Bancorp Fund Services, LLC and are distributed by G.distributors, LLC.