



KEELEY
Funds

The Disciplined
Discovery of Value[®]

Semi-Annual Report

March 31, 2018

KEELEY Small Cap Value Fund

Class (A) Shares: KSCVX
Class (I) Shares: KSCIX

KEELEY Small Cap Dividend Value Fund

Class (A) Shares: KSDVX
Class (I) Shares: KSDIX

KEELEY Small-Mid Cap Value Fund

Class (A) Shares: KSMVX
Class (I) Shares: KSMIX

KEELEY Mid Cap Dividend Value Fund

Class (A) Shares: KMDVX
Class (I) Shares: KMDIX

KEELEY All Cap Value Fund

Class (A) Shares: KACVX
Class (I) Shares: KACIX

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KEELEY Funds, Inc.

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MANAGER COMMENTARY

KEELEY Small Cap Value Fund (KSCVX - KSCIX)

To Our Shareholders,

For the quarter ended March 31, 2018, the KEELEY Small Cap Value Fund's net asset value ("NAV") per Class A share declined 1.80% versus a loss of 2.64% for the Russell 2000 Value Index. Over the six-month period ended March 31, 2018, the Fund's performance was -0.60% compared to a 0.65% decrease in the Russell 2000 Value Index.

Commentary

The markets ended the fourth quarter of 2017 on a strong note, with the major US equity indices at or near all-time highs. The holiday cheer was not confined to the US, as stock markets in the UK, France, Germany, Japan, India, and Brazil also closed the year at or close to highs. Equity markets, however, were not the only places displaying strength. Commodities also advanced with the Goldman Sachs Commodity Index closing near its year-high, as underlying components such as oil, aluminum, and nickel exhibited strength. This global optimism led the yields on the 3-month treasury bill and the 5-year treasury note to close 2017 at near highs, although there was little evidence of inflation. In fact, the only major benchmark seeing a significant retreat in 2017 was the CBOE Volatility index – also known as the VIX Index – which tends to decline when US equities rally.

The global stock rally appears to have been fueled by improving corporate earnings, strengthening economies around the world, and supportive monetary policy from global central banks. Many of these factors have driven gains in US stocks, as domestic economic data has been setting six-year records. And with the passage of a new tax law that will reduce corporate tax burdens, investors remain bullish that economic expansion will continue in 2018.

The economic expansion has been broad-based by sector. Business confidence surveys such as the purchasing manager indices ("PMI") reveal that 96 percent of the 28 countries tracked showed expansion of their manufacturing sectors and that 83 percent saw services sector expansion. Recent data suggest business spending is also starting to increase. Although tax reform was the sole item on the Trump agenda that successfully passed, the new Administration has been quietly reducing regulation which in turn is giving companies increased confidence to invest.

After ending 2017 on an ebullient note, the market rally continued into January, propelled by strong corporate earnings, corporate tax cuts, and a weakening dollar that supported exports. Following an extended period of rising markets, driven by global quantitative easing, the quarter saw a return of volatility, with sharp declines in February and March. Two threats to the story of synchronized global recovery caused volatility indexes to surge: trade wars (geopolitical) and inflation. Another cause of market turbulence has been the shift of fund flows to computer driven passive investing. Exchange traded funds accounted for as much as forty percent (40%) of total stock trading on market decline days. Against this backdrop, we believe that stock pickers are entering an environment where they can demonstrate their ability to add value. This is evidenced by the primary driver of the Fund's outperformance in the first quarter of 2018 being stock selection.

As tariffs on a list of over 1,300 targeted goods were released for public review, China proposed to reciprocate in kind. This threatened to disrupt industrial production levels and inject inflation into the economic system. Markets tumbled and gyrated as investors attempted to gauge the potential negative impacts, forecasting which businesses were most at risk and wagering on the likelihood that coming negotiations could pacify the growing hostility over international trade. Small cap stocks, which generate approximately nineteen percent (19%) of their revenue from overseas, had their best January performance since 2013. This held steady in March, while larger multinationals, with approximately thirty-nine percent (39%) overseas exposure, stumbled given their greater sensitivity to trade and protectionism.

Wage growth accelerated in January to two point nine percent (2.9%), the strongest gain since mid-2009, and the Consumer Price Index (CPI) topped analyst estimates, holding to an above two percent (2%) trend. Incoming Federal Reserve chairman Jerome Powell concurred that "inflation is moving up to target." Yields on the US two-year to ten-year treasury notes began a sharp, upward move as inflation fears and higher rates were both incorporated into market outlooks. Generally, economists expect four Federal Reserve interest rate hikes in 2018 and four more in 2019. Recessions tend to occur when there is an over-tightening of monetary policy, which we do not envision in the near term. Broadly considered, the global economy continues to demonstrate the first synchronized economic expansion in many years, supported by stabilized commodity prices and steadily climbing industrial output. Much of the same is reflected domestically, yet with added drivers such as recently enacted corporate tax reform.

The current bull market marked its ninth anniversary in March. While some valuations appear stretched, many companies have been left behind, as value stocks have underperformed growth stocks for the past decade. The impact of tax reform is just now being reflected in analyst estimates, and many strategists think that the new lower tax rate will increase corporate earnings by five percent (5%) to ten percent (10%). Adjusted for the impact of tax reform, valuations appear more reasonable than they did at the beginning of the year, and are at a level slightly above the long-term average. Given the outlook for an improving economy, accompanied by near record low unemployment, we remain constructive on the outlook for continued market gains, as we seek to uncover the mispriced equities of companies selling at a discount to intrinsic value. At Keeley Teton, we focus on underfollowed and misunderstood companies that are implementing restructuring changes to close that discount. We employ fundamental research and bottom-up analysis to identify potential catalysts that could ultimately unlock this value.

For our portfolios, a major historical performance driver has been merger and acquisition activity. Global deal making year-to-date has crossed the \$1 trillion mark, the fastest it has reached that level, as a wave of consolidation spreads across the U.S. and activity in the UK, China, Germany and Japan accelerates. Buoyed by quickening economic growth, tax cuts, and strong business confidence, we believe that corporate boardrooms are reassessing the capital they can plough into acquisitions. Deal making is up more than fifty percent (50%) from a year ago and approximately twelve percent (12%) from the same point in 2007, the high-water mark for mergers and acquisitions, according to Dealogic. Also, according to Thomson Reuters, a record \$1 trillion of cash was pledged toward private equity

funds last year in search of higher returns. In many cases, institutional investors are turning to active microcap equity as a proxy for private equity. Small cap companies are increasingly being acquired by larger corporations challenged by anemic organic top line growth. In the Fund, five such companies were acquired last year, and two in the first quarter of this year. Kapstone Paper and Packaging (KS) is being consolidated by a larger competitor, WestRock (WR) at a thirty-two percent (32%) premium, and HRG Group is being acquired by Spectrum Brands (SPB) simplifying its ownership structure.

While we are cautiously optimistic for the remainder of 2018, we feel a more rational market will recognize the value inherent in our restructuring philosophy. We remain bottom-up, value-oriented stock pickers, committed to uncovering mispriced equities of companies undergoing some type of restructuring action to unlock hidden value. Thank you for investing along with us in the KEELEY Small Cap Value Fund. We appreciate your confidence and trust.

Sincerely,



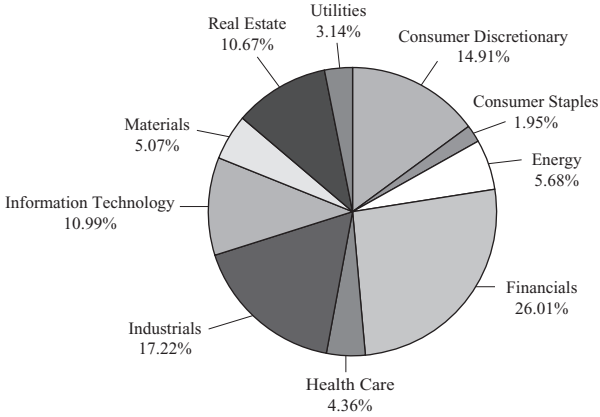
Kevin M. Chin
Chief Investment Officer, Portfolio Manager



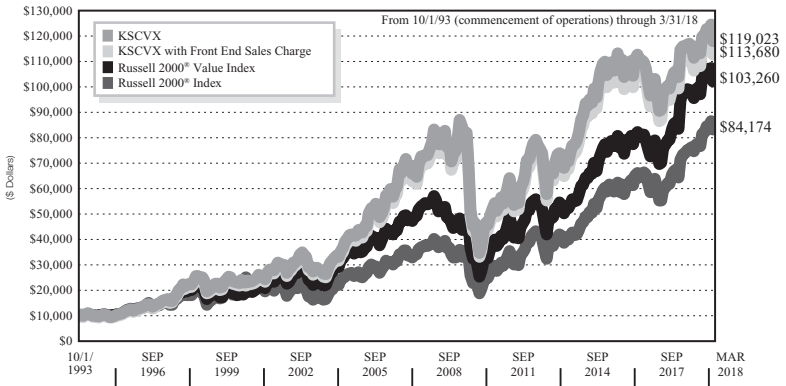
Brian R. Keeley
Portfolio Manager

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Average annual total return measures annualized change, while total return measures aggregate change.

**Investments by Sector
As a Percentage of Investments
As of 3/31/2018
(Unaudited) ***



**Index Comparison
Comparison of a Hypothetical \$10,000 Investment
Keeley Small Cap Value Fund - Class A, Russell 2000® Value Index ** and Russell 2000® Index ***
(Unaudited)**



Average annual total returns ****
For the periods ended March 31, 2018

	<u>1-Year</u>	<u>5-Years</u>	<u>10-Years</u>	<u>Since Commencement of Operations ⁽¹⁾</u>
Keeley Small Cap Value Fund				
Class A	1.82%	4.96%	4.75%	10.64%
Class A (includes max 4 1/2% front-end load)	-2.77%	4.00%	4.27%	10.43%
Class I	2.06%	5.22%	5.01%	4.53%
Russell 2000® Value Index	5.13%	9.96%	8.61%	10.00% ⁽²⁾
Russell 2000® Index	11.79%	11.47%	9.84%	9.09% ⁽²⁾

- (1) Inception date is October 1, 1993 for Class A Shares and December 31, 2007 for Class I Shares.
- (2) The Since Commencement of Operations returns shown are from the commencement date of Keeley Small Cap Value Fund - Class A. The returns for the Russell 2000® Value Index and Russell 2000® Index since the commencement date of the Keeley Small Cap Value Fund - Class I are 7.68% and 8.48%, respectively.
- * Excludes short-term investments.
- ** The Russell 2000® Value Index measures the performance of those Russell 2000® Index companies with lower price-to-book ratios and lower forecasted growth values. These figures do not reflect any deduction for fees, expenses or taxes, and are not available for investment.
- *** The Russell 2000® Index is comprised of the smallest 2,000 companies in the Russell 3000® Index. The Russell 3000® Index is comprised of the 3,000 largest U.S. companies based on market capitalization. The Russell 2000® Index is unmanaged and returns include reinvested dividends. These index figures do not reflect any deduction for fees, expenses or taxes, and are not available for investment.
- **** Performance data quoted represents past performance, which is not predictive of future performance. The investment return and principal value of shares will fluctuate and when redeemed, may be worth more or less than their original cost. Returns shown include the reinvestment of all dividends. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of shares. Returns shown reflect the effect of the Adviser's fee waiver agreement for the Fund. If such fee waivers had not occurred, the quoted performance would be lower.

MANAGER COMMENTARY

KEELEY Small Cap Dividend Value Fund (KSDVX - KSDIX)

To Our Shareholders,

In the first half of the Fund's fiscal year, the KEELEY Small Cap Dividend Value Fund (KSDVX) gained 0.23% compared to a 0.65% decline for the Russell 2000 Value Index. The Fund also beat the benchmark in both the calendar fourth quarter of 2017 and in the first quarter of calendar 2018.

Volatility suddenly awoke from its long slumber in early 2018. This awakening is exemplified by analyzing the number of days the market, as measured by the S&P 500, rose or fell by more than one percent (1%) over the past three (3) years and the first quarter of 2018. During the 2017 slumber, there were only eight (8) days with price moves greater than one percent (1%). This compares with forty-eight (48) days in 2016, seventy-two (72) days in 2015, and twenty-three (23) days in the first quarter of 2018 alone. Perhaps this is the start of a different kind of year in the market.

Higher volatility largely reflected a declining market. After fifteen consecutive monthly increases, the S&P 500 Index declined in February 2018. This ended the longest winning streak for the Index in decades.

The uptick in volatility seemed to coincide with increased rhetoric and actions by the Trump Administration to impose tariffs on some of the United States' largest trading partners. Investors perceived these actions to create risks to the continuation of global growth. In addition, some of the proposed tariffs threaten to accelerate inflation. Finally, many of the countries that could be impacted by tariffs are large holders of US government debt, and investors fear that they could go on a buyers' strike. That would further boost interest rates which have already risen by more than a percentage point over the last year. While the rhetoric has softened since the end of the first quarter of 2018, it remains uncertain how this development will play out.

We are encouraged by the Fund's results through the first half of its fiscal year. It is worth noting that this outperformance came during a period when dividend-paying stocks lagged those that do not pay dividends by approximately two point five percent (2.5%)

Although a small underweight in Health Care and a small overweight in Real Estate accounted for some sector-related underperformance, strong stock selection overcame these hurdles. The Fund's holdings outperformed those stocks within the index in five sectors, underperformed in three sectors, and were about even in two sectors. The Financials sector was the strongest contributor for the Fund, while the Industrials sector was the largest detractor.

In the first half of the Fund's fiscal year, the five biggest individual stock contributors added almost four percentage points while the five biggest detractors cost about two and a half percentage points. An observation that strikes us as interesting is that the five top contributors came from five different sectors, whereas three of the five largest detractors came from the Real Estate sector.

Among individual stocks, Virtu Financial was the Fund's largest contributor by far. Its first half contribution of about one hundred fifty basis points (1.50%) is among the

largest for a six-month period in the Fund's history. Virtu is an electronic trading firm. It makes markets in tens of thousands of securities, commodities, and currencies on exchanges around the world. On any given day, it might make a million trades. The Fund has owned Virtu since its IPO in 2015 and until early 2018, it was a disappointing investment. Two things happened this year to drive the share price. First, volatility in markets picked up after declining to historic lows over the last several years. This created more volume and wider spreads, the two main drivers of profitability for market makers. Second, the uptick in activity coincided with the integration of Virtu's acquisition of KCG Holdings, another electronic brokerage firm. This has proven to be a highly accretive deal for Virtu, and the company has correspondingly reported strong results.

The Fund's second largest contributor was Delek US Holdings, an oil refining company with four refineries and some associated other assets. We came to own Delek through our previous ownership in AlonUSA, which was acquired by Delek in a stock swap. Combining the two companies lowered the operating risks of the combination, simplified the corporate structure, and offered significant cost synergies. Delek has executed well on the integration plan. In addition, differentials between domestic and foreign crude oil and between crude prices at different delivery points have widened to Delek's benefit. This has driven an improvement in overall profitability.

Whereas the Fund has owned both Virtu and Delek (and predecessors) for years, third-place contributor Regal Entertainment Group, was owned for a relatively short period of time. Regal is one of the largest owners and operators of movie theaters in the world. We began to acquire the stock in September 2017 after US box office results disappointed. We believed that the slow ticket sales had more to do with bad movies than a secular shift away from the movies and toward in-home viewing. While recent box office results seem to support our view, that thesis did not have time to play out as Regal received a \$23 cash buyout offer from UK theater chain Cineworld in December 2017.

Three REITs, Macquarie Infrastructure Corporation, and Diebold Nixdorf make up the bottom five contributors. We remain comfortable with the REITs: CareTrust REIT, Outfront Media, and Gramercy Property Trust. As of this writing, all have bounced back at least partially and Gramercy announced that it will be acquired by Blackstone for \$27.50 in cash.

Macquarie, however, is a different story. The company owns and operates infrastructure assets, specifically petroleum products and chemicals terminals, fixed base operations for private aviation, utilities, and renewable energy generation assets. Historically, MIC pursued a full payout distribution strategy; it paid out all of its cash earnings. As it put more assets into place through acquisition, it was able to grow its dividend for seventeen (17) consecutive quarters. This changed in the first quarter of calendar 2018 when the company announced a dividend increase for the current quarter but implemented a dividend cut going forward. It intends to use cash saved by the dividend cut to reinvest in some of its assets. This is partially a proactive move, but is more a response to a difficult contract renewal season the company had and the realization that it needed to repurpose some of its petroleum products assets. The stock reacted poorly, trading off more than thirty percent (30%) immediately after it announced these actions. Even with the steep drop, and our subsequent exit

from the holding, the Fund did quite well with the stock over its more than six years of ownership.

Diebold Nixdorf is one of the largest manufacturers of automated teller machines (ATMs). The company continues to struggle to integrate the combination of its two predecessor companies. Softness in the ATM market has not helped matters. Its stock fell over the first half of the fiscal year as earnings results disappointed and the company had to reset its targets going forward.

As we review the first half of the Fund's fiscal year, we see the elements that defined the first half continuing to provide the backdrop for the market.

- We expect the economy to continue its slow growth. Although demand looks good, the economy may be experiencing some constraints that keep it from growing faster. The labor market is the biggest one, in our opinion, but rising interest rates, higher commodity prices, and the recently stronger dollar also threaten to sap some of the economy's strength.
- Corporate earnings growth expectations have risen due to the reduction in corporate income taxes, and it appears that 2018 will be the strongest year of growth since 2010. Analysts expect earnings in the S&P 500 to grow by more than twenty percent (20%) this year, and expectations for the S&P MidCap and S&P Small Cap earnings are even faster at twenty-four percent (24%), and twenty-five percent (25%), respectively.
- So far earnings growth is driving dividend growth, and we think that will continue. Through the first quarter of 2018, thirty-two percent (32%) of the dividend payers in the S&P 500 (83% of them pay dividends) have raised their dividend, and the average increase is twenty percent (20%). Both the percentage of companies and the average increase are running ahead of last year. In the S&P Small Cap, twenty-three percent (23%) of the dividend payers (52% pay dividends) have raised their dividends, with an average increase of twenty-four percent (24%). For reference, during the full year of 2017, seventy-six percent (76%) of dividend-payers in the S&P 500 and fifty percent (50%) of dividend-payers in the S&P SmallCap increased their payout.
- Valuations appear more reasonable than they did at the beginning of the calendar year. The S&P 500 now trades at 16.5x NTM earnings vs. 18.3x at the end of last year. While this is still above the long-term average, it is not a level at which investors should have to expect contraction in valuation multiples when they evaluate the attractiveness of the market.
- We expect the market to remain volatile, although probably not at the levels we saw in February and March. We do not think that concerns about trade wars, rising rates, or the advanced stage of the economic cycle and bull market will subside any time soon. We think stocks will rise and fall as investor sentiment around these issues wanes and waxes.

In conclusion, we are pleased with the Fund's performance at the midway point of the fiscal year, but are cognizant that our shareholders are investing for the future. To that end, we remain focused on finding stocks with a good combination of Quality, Timeliness, and Valuation in our pursuit of strong risk-adjusted returns. Thank you for investing along with us in the KEELEY Small Cap Dividend Value Fund.

Sincerely,



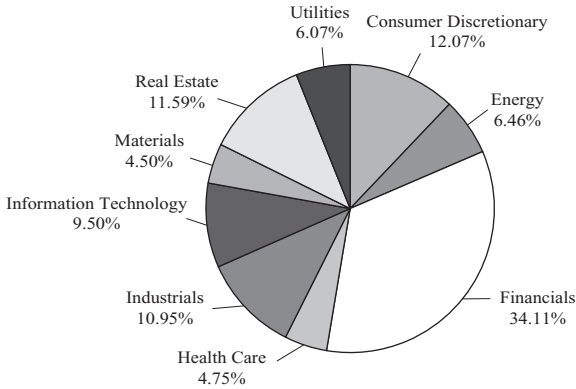
Thomas E. Browne, Jr.
Lead Portfolio Manager



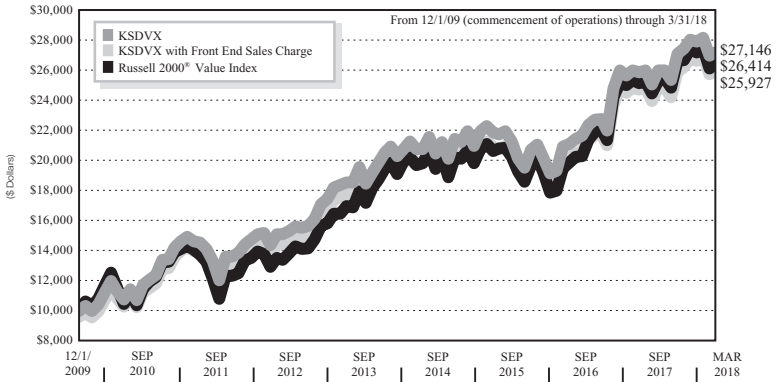
Brian P. Leonard
Portfolio Manager

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**Investments by Sector
As a Percentage of Investments
As of 3/31/2018
(Unaudited) ***



**Index Comparison
Comparison of a Hypothetical \$10,000 Investment
Keeley Small Cap Dividend Value Fund - Class A and Russell 2000® Value Index **
(Unaudited)**



Average annual total returns ***
For the periods ended March 31, 2018

	<u>1-Year</u>	<u>3-Years</u>	<u>5-Years</u>	<u>Since Commencement of Operations ⁽¹⁾</u>
Keeley Small Cap Dividend Value Fund				
Class A	5.14%	6.87%	8.35%	12.74%
Class A (includes max 4 1/2% front-end load)	0.40%	5.25%	7.36%	12.12%
Class I	5.39%	7.16%	8.62%	13.02%
Russell 2000® Value Index	5.13%	7.87%	9.96%	12.37%

⁽¹⁾ Inception date for both classes is December 1, 2009.

* Excludes short-term investments.

** The Russell 2000® Value Index measures the performance of those Russell 2000® Index companies with lower prices-to-book ratios and lower forecasted growth values. These figures do not reflect any deductions for fees, expenses or taxes, and are not available for investment.

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MANAGER COMMENTARY

KEELEY Small-Mid Cap Value Fund (KSMVX - KSMIX)

To Our Shareholders,

For the quarter ended March 31, 2018, the KEELEY Small-Mid Cap Value Fund's net asset value ("NAV") per Class A share declined 0.85% versus a loss of 2.65% for the Russell 2500 Value Index. Over the six-month period ended March 31, 2018, the Fund rose 4.71% compared to a 1.49% increase in the Russell 2500 Value Index.

Commentary

The markets ended the fourth quarter of 2017 on a strong note, with the major US equity indices at or near all-time highs. The holiday cheer was not confined to the US, as stock markets in the UK, France, Germany, Japan, India, and Brazil also closed the year at or close to highs. Equity markets, however, were not the only places displaying strength. Commodities also advanced with the Goldman Sachs Commodity Index closing near its year-high, as underlying components such as oil, aluminum, and nickel exhibited strength. This global optimism led the yields on the 3-month treasury bill and the 5-year treasury note to close 2017 at near highs, although there was little evidence of inflation. In fact, the only major benchmark seeing a significant retreat in 2017 was the CBOE Volatility index — also known as the VIX Index — which tends to decline when US equities rally.

The global stock rally appears to have been fueled by improving corporate earnings, strengthening economies around the world, and supportive monetary policy from global central banks. Many of these factors have driven gains in US stocks, as domestic economic data has been setting six-year records. And with the passage of a new tax law that will reduce corporate tax burdens, investors remain bullish that economic expansion will continue in 2018.

The economic expansion has been broad-based by sector. Business confidence surveys such as the purchasing manager indices ("PMI") reveal that 96 percent of the 28 countries tracked showed expansion of their manufacturing sectors and that 83 percent saw services sector expansion. Recent data suggest business spending is also starting to increase. Although tax reform was the sole item on the Trump agenda that successfully passed, the new Administration has been quietly reducing regulation which in turn is giving companies increased confidence to invest.

After ending 2017 on an ebullient note, the market rally continued into January, propelled by strong corporate earnings, corporate tax cuts, and a weakening dollar that supported exports. Following an extended period of rising markets, driven by global quantitative easing, the quarter saw a return of volatility, with sharp declines in February and March. Two threats to the story of synchronized global recovery caused volatility indexes to surge: trade wars (geopolitical) and inflation. Another cause of market turbulence has been the shift of fund flows to computer driven passive investing. Exchange traded funds accounted for as much as forty percent (40%) of total stock trading on market decline days. Against this backdrop, we believe that stock pickers are entering an environment where they can demonstrate their ability to add value. This is evidenced by the primary driver of the Fund's outperformance in the first quarter of 2018 being stock selection.

As tariffs on a list of over 1,300 targeted goods were released for public review, China proposed to reciprocate in kind. This threatened to disrupt industrial production levels and inject inflation into the economic system. Markets tumbled and gyrated as investors attempted to gauge the potential negative impacts, forecasting which businesses were most at risk and wagering on the likelihood that coming negotiations could pacify the growing hostility over international trade. Small cap stocks, which generate approximately nineteen percent (19%) of their revenue from overseas, had their best January performance since 2013. This held steady in March, while larger multinationals, with approximately thirty-nine percent (39%) overseas exposure, stumbled given their greater sensitivity to trade and protectionism.

Wage growth accelerated in January to two point nine percent (2.9%), the strongest gain since mid-2009, and the Consumer Price Index (CPI) topped analyst estimates, holding to an above two percent (2%) trend. Incoming Federal Reserve chairman Jerome Powell concurred that "inflation is moving up to target." Yields on the US two-year to ten-year treasury notes began a sharp, upward move as inflation fears and higher rates were both incorporated into market outlooks. Generally, economists expect four Federal Reserve interest rate hikes in 2018 and four more in 2019. Recessions tend to occur when there is an over-tightening of monetary policy, which we do not envision in the near term. Broadly considered, the global economy continues to demonstrate the first synchronized economic expansion in many years, supported by stabilized commodity prices and steadily climbing industrial output. Much of the same is reflected domestically, yet with added drivers such as recently enacted corporate tax reform.

The current bull market marked its ninth anniversary in March. While some valuations appear stretched, many companies have been left behind, as value stocks have underperformed growth stocks for the past decade. The impact of tax reform is just now being reflected in analyst estimates, and many strategists think that the new lower tax rate will increase corporate earnings by five percent (5%) to ten percent (10%). Adjusted for the impact of tax reform, valuations appear more reasonable than they did at the beginning of the year, and are at a level slightly above the long-term average. Given the outlook for an improving economy, accompanied by near record low unemployment, we remain constructive on the outlook for continued market gains, as we seek to uncover the mispriced equities of companies selling at a discount to intrinsic value. At Keeley Teton, we focus on underfollowed and misunderstood companies that are implementing restructuring changes to close that discount. We employ fundamental research and bottom-up analysis to identify potential catalysts that could ultimately unlock this value. Examples of this approach are demonstrated by two of the Fund's largest contributors, NRG Energy (up 20%) and Voya Financial (up 27%). Both companies announced transactions to clean up complex structures that seemed to mask the underlying value of their core businesses.

For our portfolios, a major historical performance driver has been merger and acquisition activity. Global deal making year-to-date has crossed the \$1 trillion mark, the fastest it has reached that level, as a wave of consolidation spreads across the U.S. and activity in the UK, China, Germany and Japan accelerates. Buoyed by quickening economic growth, tax cuts, and strong business confidence, we believe that corporate boardrooms are reassessing the capital they can plough into acquisitions. Deal making is up more than fifty percent (50%) from a year ago and

approximately twelve percent (12%) from the same point in 2007, the high-water mark for mergers and acquisitions, according to Dealogic. Also, according to Thomson Reuters, a record \$1 trillion of cash was pledged toward private equity funds last year in search of higher returns. In many cases, institutional investors are turning to active microcap equity as a proxy for private equity. Small and mid-cap companies are increasingly being acquired by larger corporations challenged by anemic organic top line growth. In the Fund, three such companies were acquired last year, and one in the first quarter of this year. The government information technology space continues to consolidate and recently spun-off CSRA (CSRA), was acquired by a larger competitor, General Dynamics (GD), at a thirty-eight percent (38%) premium.

While we are cautiously optimistic for the remainder of 2018, we feel a more rational market will recognize the value inherent in our restructuring philosophy. We remain bottom-up, value-oriented stock pickers, committed to uncovering mispriced equities of companies undergoing some type of restructuring action to unlock hidden value. Thank you for investing along with us in the KEELEY Small-Mid Cap Value Fund. We appreciate your confidence and trust.

Sincerely,



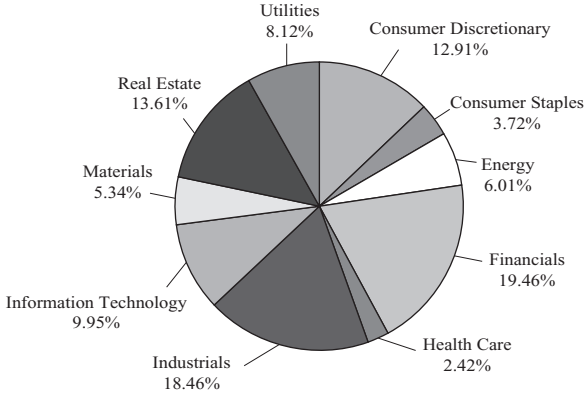
Kevin M. Chin
Chief Investment Officer, Portfolio Manager



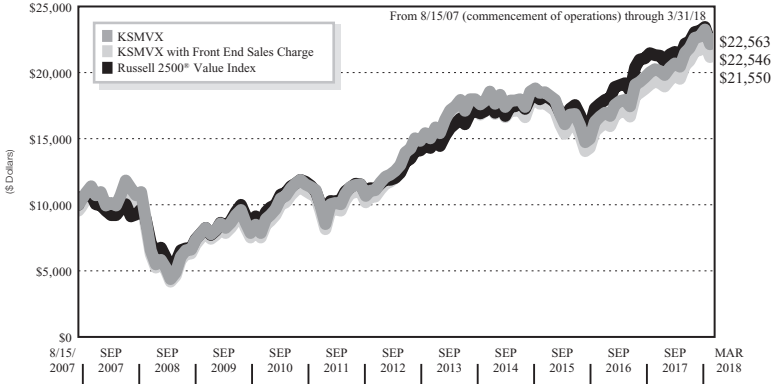
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**Investments by Sector
As a Percentage of Investments
As of 3/31/2018
(Unaudited) ***



**Index Comparison
Comparison of a Hypothetical \$10,000 Investment
Keeley Small-Mid Cap Value Fund - Class A and Russell 2500® Value Index **
(Unaudited)**



Average annual total returns ***
For the periods ended March 31, 2018

	1-Year	5-Years	10-Years	Since Commencement of Operations ⁽¹⁾
Keeley Small-Mid Cap Value Fund				
Class A	11.35%	8.48%	8.52%	7.96%
Class A (includes max 4 1/2% front-end load)	6.35%	7.48%	8.02%	7.49%
Class I	11.65%	8.75%	8.80%	8.23%
Russell 2500® Value Index	5.72%	9.88%	9.34%	7.95%

- (1) Inception date for both classes is August 15, 2007.
- * Excludes short-term investments.
- ** The Russell 2500[®] Value Index measures the performance of those Russell 2500[®] Index companies with lower price-to-book ratios and lower forecasted growth values. The stocks in this index are also members of either the Russell 1000[®] Value or the Russell 2000[®] Value Indexes. These figures do not reflect any deductions for fees, expenses or taxes, and are not available for investment.
- *** Performance data quoted represents past performance, which is not predictive of future performance. The investment return and principal value of shares will fluctuate and when redeemed, may be worth more or less than their original cost. Returns shown include the reinvestment of all dividends. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of shares. Returns shown reflect the effect of the Adviser's fee waiver agreement for the Fund. If such fee waivers had not occurred, the quoted performance would be lower.

MANAGER COMMENTARY

KEELEY Mid Cap Dividend Value Fund (KMDVX - KMDIX)

To Our Shareholders,

In the first half of the Fund's fiscal year, the KEELEY Mid Cap Dividend Value Fund (KMDVX) gained 2.23% compared to an increase of 2.86% for the Russell Midcap Value Index. The Fund outperformed the benchmark in the calendar fourth quarter of 2017, but lagged the index in the first quarter of calendar 2018.

Volatility suddenly awoke from its long slumber in early 2018. This awakening is exemplified by analyzing the number of days the market, as measured by the S&P 500, rose or fell by more than one percent (1%) over the past three (3) years and the first quarter of 2018. During the 2017 slumber, there were only eight (8) days with price moves greater than one percent (1%). This compares with forty-eight (48) days in 2016, seventy-two (72) days in 2015, and twenty-three (23) days in the first quarter of 2018 alone. Perhaps this is the start of a different kind of year in the market.

Higher volatility largely reflected a declining market. After fifteen consecutive monthly increases, the S&P 500 Index declined in February 2018. This ended the longest winning streak for the Index in decades.

The uptick in volatility seemed to coincide with the increased rhetoric and actions by the Trump Administration to impose tariffs on some of the United States' largest trading partners. Investors perceived these actions to create risks to the continuation of global growth. In addition, some of the proposed tariffs threaten to accelerate inflation. Finally, many of the countries that could be impacted by tariffs are large holders of US government debt and investors fear that they could go on a buyers' strike. That would further boost interest rates which have already risen by more than a percentage point over the last year. While the rhetoric has softened since the end of the first quarter of 2018, it remains uncertain how this development will play out.

Over the first six months of its fiscal year, the Fund slightly trailed its benchmark. Sector allocation decisions were slightly additive to performance, while stock selection was a slight detractor. Within the sectors, selection added the most value in the Consumer Discretionary, Technology, and Energy sectors, while stocks in the Industrials, Real Estate, and Materials sectors lagged those in the index.

In the Discretionary sector, CalAtlantic and Foot Locker led the gains. CalAtlantic, a leading homebuilder, delivered strong performance after the company agreed to be acquired by Lennar. Foot Locker is the largest footwear retailer. Its stock rose during the six months ended March 31, 2018 after falling sharply in the six-month period ended September 30, 2017 as earnings growth slowed sharply after years of strong performance. The bounce-back helped performance in the period, but the stock still has a long way to go to regain its prior highs.

The Technology sector also benefitted from the acquisition of one of the Fund's holdings. CSRA, a leading government technology services company, agreed to be acquired for cash at a nice premium by General Dynamics. Interestingly, it was not the Fund's best performer in the sector. That honor went to Total System Services, one of the leading providers of processing services to the credit and debit card

industry. TSYS, as the company is known, has been a portfolio holding since the Fund's inception in 2011. We have held it through its ups and downs and while the company bulked up through acquisitions that sometimes were not endorsed by investors. In the first half of the fiscal year, TSYS again demonstrated a pick-up in growth and improving profitability. Its historically high tax rate also makes it a beneficiary of tax reform. In addition, there was some potential takeover chatter during the quarter. Finally, DXC was another strong contributor in the Technology sector. Its gains were driven by continued good execution on its cost saving plans from the Hewlett-Packard Enterprise Services merger and its announcement that it would spin-off the government services business it acquired in that merger.

Energy had some big winners with HollyFrontier and Delek US and one of the Fund's biggest detractors with EQT Corporation. HollyFrontier and Delek are both refining companies. Their earnings, and to a large extent, their stock prices are driven by the relative prices of oil and its end products gasoline and diesel fuel and by differentials between different kinds of oil. In the fourth quarter of 2017, hurricane-related outages at many US refineries drove product prices higher. More recently, increasing US production of oil has widened the discount between US oil (West Texas Intermediate) and global oil (Brent). Both of these trends improve profitability for US refiners, and HollyFrontier and Delek earnings and stock prices have benefited accordingly. EQT, a gas-focused exploration and production company, saw its share price fall over the period despite a colder winter and strong demand for natural gas. It underperformed following a more contentious process to complete the acquisition of Rice Energy. Many investors were disappointed by the price EQT paid for Rice and have been disappointed by the pace at which EQT has clarified its plans to simplify a complex corporate structure in order to unlock shareholder value.

The Fund's underperformance in the Industrials sector is mostly due to the fall in the share price of Macquarie Infrastructure Company. MIC owns and operates infrastructure assets, specifically petroleum products and chemicals terminals, fixed base operations for private aviation, utilities, and renewable energy generation assets. Historically, MIC pursued a full payout distribution strategy; it paid out all of its cash earnings. As it put more assets into place through acquisition, it was able to grow its dividend for seventeen (17) consecutive quarters. This changed in the first quarter of calendar 2018 when the company announced a dividend increase for the current quarter but implemented a dividend cut going forward. It intends to use cash saved by the dividend cut to reinvest in some of its assets. This is partially a proactive move, but is more a response to a difficult contract renewal season the company had and the realization that it needed to repurpose some of its petroleum products assets. The stock reacted poorly, trading off more than thirty percent (30%) immediately after it announced these actions.

The Real Estate sector was the worst performing sector within the index with a 5.6% decline over the six months ended March 31, 2018. Many investors view REITs as bond proxies and sold them off as rates started to rise. The Fund's holdings lagged the sector as a whole and four REITs were among the Fund's worst ten detractors. Gramercy reported sluggish results as it is in the process of remixing its portfolio and the amount of assets sold made it difficult to maintain earnings growth. Sabra and EPR both had tenant-related issues that impacted earnings results. Iron Mountain sold off with the sector. Since the end of the first quarter of

2018, Gramercy accepted an all-cash offer to sell to Blackstone, and the other three have bounced back. We remain confident that all three situations will work out well. The Real Estate sector has seen a pick-up in M&A activity over the last several months. That is not the reason we own any of these stocks, but we think it points to the likelihood that the public markets are undervaluing real estate relative to the private markets.

In the Materials sector, three of the four stocks we own in the sector declined, while the overall sector was up. The Fund experienced smaller impacts from Vulcan Materials and RPM International which both traded off on concerns that a long winter would impact the start to the spring construction season. Construction is an important market to both Vulcan, which sells aggregates, and RPM which manufactures coatings. The larger impact to Fund performance in the sector was FMC Corporation, a chemical company that is a leader in agricultural chemicals as well as lithium and its derivatives. The weakness in the stock was mostly related to concerns about plans to increase capacity in lithium by FMC's competitors. We do not think the weakness is appropriate to the potential impact to FMC, particularly since FMC will be spinning off the lithium business to shareholders in the second half of the year.

As we look into the back half of the Fund's fiscal year, we see the elements that defined the first half continuing to provide the backdrop for the market.

- We expect the economy to continue its slow growth. Although demand looks good, the economy may be experiencing some constraints that keep it from growing faster. The labor market is the biggest one, in our opinion, but rising interest rates, higher commodity prices, and the recently stronger dollar also threaten to sap some of the economy's strength.
- Corporate earnings growth expectations have risen due to the reduction in corporate income taxes, and it appears that 2018 will be the strongest year of growth since 2010. Analysts expect earnings in the S&P 500 to grow by more than twenty percent (20%) this year, and expectations for the S&P MidCap and S&P Small Cap earnings are even faster at twenty-four percent (24%), and twenty-five percent (25%), respectively.
- So far earnings growth is driving dividend growth, and we think that will continue. Through the first quarter of 2018, thirty-two percent (32%) of the dividend payers in the S&P 500 (83% of them pay dividends) have raised their dividend, and the average increase is twenty percent (20%). Both the percentage of companies and the average increase are running ahead of last year. In the S&P MidCap Cap, thirty percent (30%) of the dividend payers (68% pay dividends) have raised their dividends with the average increase fifteen percent (15%). For reference, during the full year of 2017, seventy-six percent (76%) of dividend-payers in the S&P 500 and seventy percent (70%) of dividend-payers in the S&P MidCap increased their payout.
- Valuations appear more reasonable than they did at the beginning of the calendar year. The S&P 500 now trades at 16.5x NTM earnings vs. 18.3x at the end of last year. While this is still above the long-term average, it is not a level at which investors should have to expect contraction in valuation multiples when they evaluate the attractiveness of the market.

- We expect the market to remain volatile, although probably not at the levels we saw in February and March. We do not think that concerns about trade wars, rising rates, or the advanced stage of the economic cycle and bull market will subside any time soon. We think stocks will rise and fall as investor sentiment around these issues wanes and waxes.

In conclusion, we are slightly disappointed with the Fund's performance at the midway point of the fiscal year. We do, however, remain confident that our process to identify stocks with a good combination of Quality, Timeliness, and Valuation will provide strong risk-adjusted returns over time. Thank you for investing along with us in the KEELEY Mid Cap Dividend Value Fund.

Sincerely,



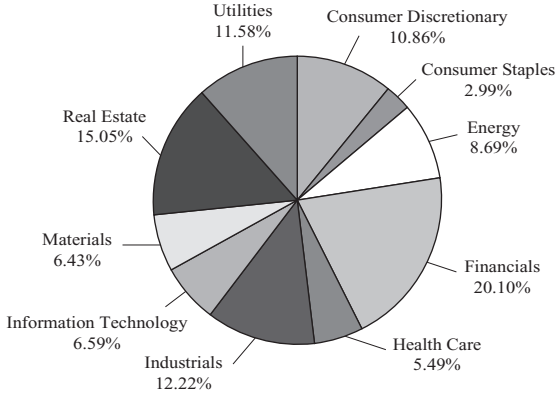
Thomas E. Browne, Jr.
Lead Portfolio Manager



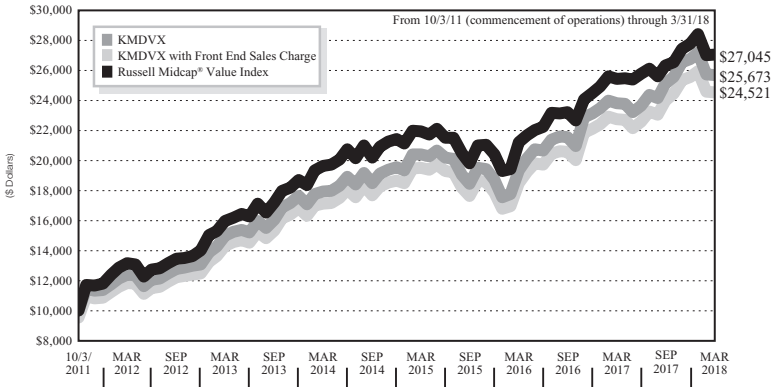
Brian P. Leonard
Portfolio Manager

The performance data quoted represents past performance. Past performance does not guarantee future results. The investment return and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Average annual total return measures annualized change, while total return measures aggregate change.

**Investments by Sector
As a Percentage of Investments
As of 3/31/2018
(Unaudited) ***



**Index Comparison
Comparison of a Hypothetical \$10,000 Investment
Keeley Mid Cap Dividend Value Fund - Class A and Russell Midcap® Value Index **
(Unaudited)**



Average annual total returns ***
For the periods ended March 31, 2018

	<u>1-Year</u>	<u>3-Years</u>	<u>5-Years</u>	<u>Since Commencement of Operations ⁽¹⁾</u>
Keeley Mid Cap Dividend Value Fund				
Class A	7.82%	7.97%	11.37%	15.63%
Class A (includes max 4 1/2% front-end load)	2.96%	6.33%	10.35%	14.81%
Class I	8.09%	8.22%	11.64%	15.91%
Russell Midcap® Value Index	6.50%	7.23%	11.11%	16.56%

(1) Inception date for both classes is October 3, 2011.

* Excludes short-term investments.

** The Russell Midcap[®] Value Index is an unmanaged index of common stock prices that measures the performance of those Russell Midcap[®] companies with lower price-to-book ratios and lower forecasted growth values. These figures do not reflect any deduction for fees, expenses or taxes, and are not available for investment.

*** Performance data quoted represents past performance, which is not predictive of future performance. The investment return and principal value of shares will fluctuate and when redeemed, may be worth more or less than their original cost. Returns shown include the reinvestment of all dividends. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of shares. Returns shown reflect the effect of the Adviser's fee waiver agreement for the Fund. If such fee waivers had not occurred, the quoted performance would be lower.

MANAGER COMMENTARY

KEELEY All Cap Value Fund (KACVX - KACIX)

To Our Shareholders,

For the quarter ended March 31, 2018, the KEELEY ALL Cap Value Fund's net asset value ("NAV") per Class A share declined 1.51% versus a loss of 2.82% for the Russell 3000 Value Index. Over the six-month period ended March 31, 2018, the Fund rose 4.43% compared to a 2.11% increase in the Russell 3000 Value Index.

Commentary

The markets ended the fourth quarter of 2017 on a strong note, with the major US equity indices at or near all-time highs. The holiday cheer was not confined to the US, as stock markets in the UK, France, Germany, Japan, India, and Brazil also closed the year at or close to highs. Equity markets, however, were not the only places displaying strength. Commodities also advanced with the Goldman Sachs Commodity Index closing near its year-high, as underlying components such as oil, aluminum, and nickel exhibited strength. This global optimism led the yields on the 3-month treasury bill and the 5-year treasury note to close 2017 at near highs, although there was little evidence of inflation. In fact, the only major benchmark seeing a significant retreat in 2017 was the CBOE Volatility index — also known as the VIX Index — which tends to decline when US equities rally.

The global stock rally appears to have been fueled by improving corporate earnings, strengthening economies around the world, and supportive monetary policy from global central banks. Many of these factors have driven gains in US stocks, as domestic economic data has been setting six-year records. And with the passage of a new tax law that will reduce corporate tax burdens, investors remain bullish that economic expansion will continue in 2018.

The economic expansion has been broad-based by sector. Business confidence surveys such as the purchasing manager indices ("PMI") reveal that ninety-six percent (96%) of the 28 countries tracked showed expansion of their manufacturing sectors and that eighty-three percent (83%) saw services sector expansion. Recent data suggest business spending is also starting to increase. Although tax reform was the sole item on the Trump agenda that successfully passed, the new Administration has been quietly reducing regulation which in turn is giving companies increased confidence to invest.

After ending 2017 on an ebullient note, the market rally continued into January, propelled by strong corporate earnings, corporate tax cuts, and a weakening dollar that supported exports. Following an extended period of rising markets, driven by global quantitative easing, the quarter saw a return of volatility, with sharp declines in February and March. Two threats to the story of synchronized global recovery caused volatility indexes to surge: trade wars (geopolitical) and inflation. Another cause of market turbulence has been the shift of fund flows to computer driven passive investing. Exchange traded funds accounted for as much as forty percent (40%) of total stock trading on market decline days. Against this backdrop, we believe that stock pickers are entering an environment where they can demonstrate their ability to add value. This is evidenced by the primary driver of the Fund's outperformance in the first quarter of 2018 being stock selection.

As tariffs on a list of over 1,300 targeted goods were released for public review, China proposed to reciprocate in kind. This threatened to disrupt industrial production levels and inject inflation into the economic system. Markets tumbled and gyrated as investors attempted to gauge the potential negative impacts, forecasting which businesses were most at risk and wagering on the likelihood that coming negotiations could pacify the growing hostility over international trade. Small cap stocks, which generate approximately nineteen percent (19%) of their revenue from overseas, had their best January performance since 2013. This held steady in March, while larger multinationals, with approximately thirty-nine percent (39%) overseas exposure, stumbled given their greater sensitivity to trade and protectionism.

Wage growth accelerated in January to two point nine percent (2.9%), the strongest gain since mid-2009, and the Consumer Price Index (CPI) topped analyst estimates, holding to an above two percent (2%) trend. Incoming Federal Reserve chairman Jerome Powell concurred that "inflation is moving up to target." Yields on the US two-year to ten-year treasury notes began a sharp, upward move as inflation fears and higher rates were both incorporated into market outlooks. Generally, economists expect four Federal Reserve interest rate hikes in 2018 and four more in 2019. Recessions tend to occur when there is an over-tightening of monetary policy, which we do not envision in the near term. Broadly considered, the global economy continues to demonstrate the first synchronized economic expansion in many years, supported by stabilized commodity prices and steadily climbing industrial output. Much of the same is reflected domestically, yet with added drivers such as recently enacted corporate tax reform.

The current bull market marked its ninth anniversary in March. While some valuations appear stretched, many companies have been left behind, as value stocks have underperformed growth stocks for the past decade. The impact of tax reform is just now being reflected in analyst estimates, and many strategists think that the new lower tax rate will increase corporate earnings by five percent (5%) to ten percent (10%). Adjusted for the impact of tax reform, valuations appear more reasonable than they did at the beginning of the year, and are at a level slightly above the long-term average. Given the outlook for an improving economy, accompanied by near record low unemployment, we remain constructive on the outlook for continued market gains, as we seek to uncover the mispriced equities of companies selling at a discount to intrinsic value. At Keeley Teton, we focus on underfollowed and misunderstood companies that are implementing restructuring changes to close that discount. We employ fundamental research and bottom-up analysis to identify potential catalysts that could ultimately unlock this value. Examples of this approach are demonstrated by two of the Fund's largest contributors, NRG Energy (up 20%) and Voya Financial (up 27%). Both companies announced transactions to clean up complex structures that seemed to mask the underlying value of their core businesses.

For our portfolios, a major historical performance driver has been merger and acquisition activity. Global deal making year-to-date has crossed the \$1 trillion mark, the fastest it has reached that level, as a wave of consolidation spreads across the U.S. and activity in the UK, China, Germany and Japan accelerates. Buoyed by quickening economic growth, tax cuts, and strong business confidence, we believe that corporate boardrooms are reassessing the capital they can plough into acquisitions. Deal making is up more than fifty percent (50%) from a year ago and

approximately twelve percent (12%) from the same point in 2007, the high-water mark for mergers and acquisitions, according to Dealogic. Also, according to Thomson Reuters, a record \$1 trillion of cash was pledged toward private equity funds last year in search of higher returns. In many cases, institutional investors are turning to active microcap equity as a proxy for private equity. Small and mid-cap companies are increasingly being acquired by larger corporations challenged by anemic organic top line growth. In the Fund, three such companies were acquired last year, and one in the first quarter of this year. The government information technology space continues to consolidate and recently spun-off CSRA (CSRA), was acquired by a larger competitor, General Dynamics (GD), at a thirty-eight percent (38%) premium.

As disclosed in this shareholder report and a supplement to the Fund's prospectus, the Fund is expected to be reorganized into the KEELEY Small-Mid Cap Value Fund pursuant to a tax-free exchange in July 2018. Please know that I also manage the KEELEY Small-Mid Cap Value Fund along with my colleague Kevin Chin.

Kevin and I are cautiously optimistic for the remainder of 2018, and we feel a more rational market will recognize the value inherent in our restructuring philosophy, which we apply to the management of the Fund and the KEELEY Small-Mid Cap Value Fund. We both remain bottom-up, value-oriented stock pickers, committed to uncovering mispriced equities of companies undergoing some type of restructuring action to unlock hidden value. Thank you for investing in the KEELEY All Cap Value Fund. We appreciate your confidence and trust and hope that you will continue to invest along with us in the KEELEY Small-Mid Cap Value Fund.

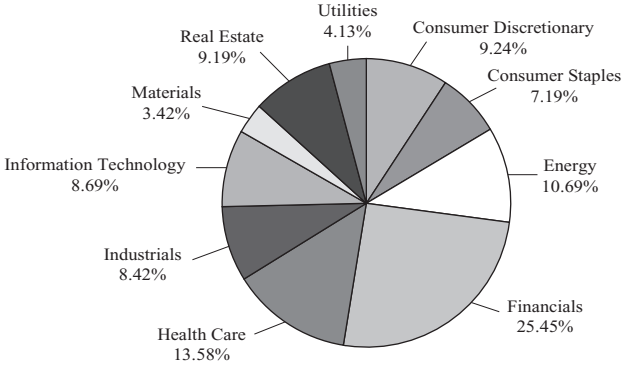
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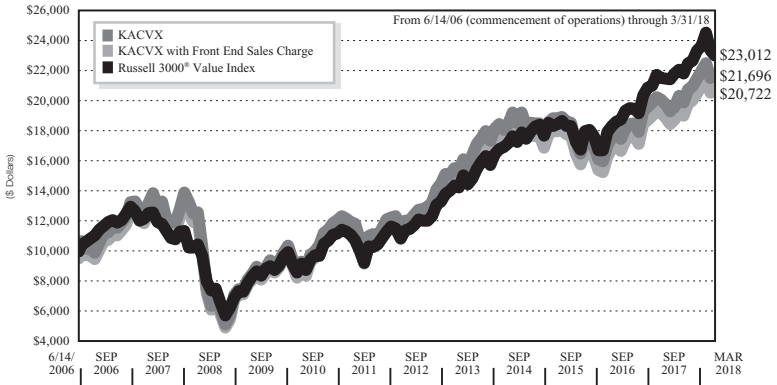
Brian R. Keeley
Lead Portfolio Manager

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**Investments by Sector
As a Percentage of Investments
As of 3/31/2018
(Unaudited) ***



**Index Comparison
Comparison of a Hypothetical \$10,000 Investment
Keeley All Cap Value Fund - Class A and Russell 3000® Value Index **
(Unaudited)**



Average annual total returns ***
For the periods ended March 31, 2018

	1-Year	5-Years	10-Years	Since Commencement of Operations ⁽¹⁾
Keeley All Cap Value Fund				
Class A	8.02%	7.42%	6.19%	6.79%
Class A (includes max 4 1/2% front-end load)	3.14%	6.44%	5.70%	6.37%
Class I	8.33%	7.70%	6.45%	5.13%
Russell 3000® Value Index	6.81%	10.71%	7.84%	7.32% ⁽²⁾

- (1) Inception date is June 14, 2006 for Class A Shares and December 31, 2007 for Class I Shares.
- (2) The Since Commencement of Operations return shown is from the commencement date of the Keeley All Cap Value Fund - Class A. The return for the Russell 3000® Value Index since the commencement date of the Keeley All Cap Value Fund - Class I is 6.71%.
- * Excludes short-term investments.
- ** The Russell 3000® Value Index measures the performance of those Russell 3000® Index companies with lower price-to-book ratios and lower forecasted growth values. The stocks in this index also are members of either the Russell 1000® Value or the Russell 2000® Value indexes. These figures do not reflect any deduction for fees, expenses or taxes, and are not available for investment.
- *** Performance data quoted represents past performance, which is not predictive of future performance. The investment return and principal value of shares will fluctuate and when redeemed, may be worth more or less than their original cost. Returns shown include the reinvestment of all dividends. The graph and table do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of shares. Returns shown reflect the effect of the Adviser's fee waiver agreement for the Fund. If such fee waivers had not occurred, the quoted performance would be lower.

KEELEY Funds, Inc.
Expense Example
For the Six Month Period Ended March 31, 2018
(Unaudited)

As a shareholder of the Funds, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments; and (2) ongoing costs, including management fees, distribution (12b-1) fees, and other Fund expenses. This Example is intended to help you understand your ongoing costs (in dollars) of investing in the Funds and to compare these costs with the ongoing costs of investing in other mutual funds.

The Example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period from October 1, 2017 to March 31, 2018 (the "period") for the Small Cap Value Fund, the Small Cap Dividend Value Fund, the Small-Mid Cap Value Fund, the Mid Cap Dividend Value Fund, and the All Cap Value Fund.

Actual Expenses

The table below provides information about actual account values and actual expenses. You may use the information in this table, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 equals 8.6), then multiply the result by the number in the applicable line under the heading entitled "Expenses Paid During the Period" to estimate the expenses you paid on your account during the period.

	CLASS A			
	<u>Beginning account value</u>	<u>Ending account value</u>	<u>Annual Expense Ratio</u>	<u>Expenses Paid During the Period *</u>
Small Cap Value Fund	\$1,000.00	\$ 994.00	1.39%	\$6.91
Small Cap Dividend Value Fund	1,000.00	1,002.30	1.29%	6.44
Small-Mid Cap Value Fund	1,000.00	1,047.10	1.39%	7.09
Mid Cap Dividend Value Fund	1,000.00	1,022.30	1.29%	6.50
All Cap Value Fund	1,000.00	1,044.30	1.39%	7.08

	CLASS I			
	<u>Beginning account value</u>	<u>Ending account value</u>	<u>Annual Expense Ratio</u>	<u>Expenses Paid During the Period *</u>
Small Cap Value Fund	\$1,000.00	\$ 994.90	1.14%	\$5.67
Small Cap Dividend Value Fund	1,000.00	1,003.50	1.04%	5.19
Small-Mid Cap Value Fund	1,000.00	1,049.00	1.14%	5.82
Mid Cap Dividend Value Fund	1,000.00	1,023.50	1.04%	5.25
All Cap Value Fund	1,000.00	1,045.70	1.14%	5.81

* Expenses are equal to the Funds' expense ratio for the six-month period, multiplied by the average account value over the period, multiplied by 182/365 for the Funds (to reflect the one-half year period).

KEELEY Funds, Inc.
Expense Example (Continued)
For the Six Month Period Ended March 31, 2018
(Unaudited)

Hypothetical Example for Comparison Purposes

The table below provides information about hypothetical account values and hypothetical expenses based on the Funds' actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Funds' actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Funds and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs, such as sales charges (loads). Therefore, the table below is useful in comparing the ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs could have been higher.

	CLASS A			
	<u>Beginning account value</u>	<u>Ending account value</u>	<u>Annual Expense Ratio</u>	<u>Expenses Paid During the Period *</u>
Small Cap Value Fund	\$1,000.00	\$1,018.00	1.39%	\$6.99
Small Cap Dividend Value Fund	1,000.00	1,018.50	1.29%	6.49
Small-Mid Cap Value Fund	1,000.00	1,018.00	1.39%	6.99
Mid Cap Dividend Value Fund	1,000.00	1,018.50	1.29%	6.49
All Cap Value Fund	1,000.00	1,018.00	1.39%	6.99

	CLASS I			
	<u>Beginning account value</u>	<u>Ending account value</u>	<u>Annual Expense Ratio</u>	<u>Expenses Paid During the Period *</u>
Small Cap Value Fund	\$1,000.00	\$1,019.25	1.14%	\$5.74
Small Cap Dividend Value Fund	1,000.00	1019.75	1.04%	5.24
Small-Mid Cap Value Fund	1,000.00	1019.25	1.14%	5.74
Mid Cap Dividend Value Fund	1,000.00	1019.75	1.04%	5.24
All Cap Value Fund	1,000.00	1019.25	1.14%	5.74

* Expenses are equal to the Funds' expense ratio for the six-month period, multiplied by the average account value over the period, multiplied by 182/365 for the Funds (to reflect the one-half year period).

KEELEY Small Cap Value Fund
SCHEDULE OF INVESTMENTS
March 31, 2018 (Unaudited)

Shares	Value	Shares	Value
COMMON STOCKS – 98.60%		Diversified Financial Services – 3.36%	
Auto Components – 2.41%		Electric Utilities – 2.14%	
338,800 Modine Manufacturing Co. (a)	\$ 7,165,620	552,441 Air Lease Corp.	\$ 23,545,035
88,300 Visteon Corp. (a)	9,734,192	Electronic Equipment, Instruments & Components – 1.20%	
	16,899,812	207,718 Allete, Inc.	15,007,625
Banks – 8.22%		Energy Equipment & Services – 0.39%	
342,600 BancorpSouth Bank	10,894,680	666,500 Knowles Corp. (a)	8,391,235
282,208 Bank of NT Butterfield & Son Ltd.	12,665,495	Health Care Equipment & Supplies – 3.12%	
875,043 Opus Bank	24,501,204	422,330 Invacare Corp.	7,348,542
319,371 State Bank Financial Corp.	9,584,324	212,810 Varex Imaging Corp. (a)	7,614,342
	57,645,703	348,267 Wright Medical Group N.V. (a)	6,909,617
Capital Markets – 0.80%			21,872,501
325,922 Donnelley Financial Solutions, Inc. (a)	5,596,081	Health Care Providers & Services – 1.17%	
Chemicals – 1.78%		313,047 The Ensign Group, Inc.	8,233,136
177,055 Sensient Technologies Corp.	12,496,542	Hotels, Restaurants & Leisure – 6.72%	
Commercial Banks – 9.91%		1,130,800 Del Taco Restaurants, Inc. (a)	11,715,088
207,800 BOK Financial Corp.	20,570,122	863,727 Denny's Corp. (a)	13,327,308
212,400 Columbia Banking System, Inc.	8,910,180	788,000 Playa Hotels & Resorts NV (a)	8,053,360
700,728 Hilltop Holdings, Inc.	16,439,079	63,100 Vail Resorts, Inc.	13,989,270
246,200 Synovus Financial Corp.	12,295,228		47,085,026
155,275 UMB Financial Corp.	11,240,357	Household Durables – 1.40%	
	69,454,966	599,578 TRI Pointe Group, Inc. (a)	9,851,067
Commercial Services & Supplies – 2.84%		Household Products – 1.92%	
316,410 ABM Industries, Inc.	10,593,407	815,430 HRG Group, Inc. (a)	13,446,441
295,682 Ritchie Bros. Auctioneers, Inc.	9,305,112	IT Services – 1.75%	
	19,898,519	78,600 WEX, Inc. (a)	12,310,332
Communications Equipment – 3.13%		Machinery – 8.63%	
638,028 Extreme Networks, Inc. (a)	7,062,970	235,468 ESCO Technologies, Inc.	13,786,652
1,601,288 Mitel Networks Corp. (a)	14,859,953	323,200 ITT, Inc.	15,830,336
	21,922,923	183,836 John Bean Technologies Corp.	20,847,002
Computer & Peripherals – 1.00%			
456,889 Diebold Nixdorf, Inc.	7,036,091		
Construction & Engineering – 2.16%			
935,600 KBR, Inc.	15,147,364		

The accompanying notes are an integral part of these financial statements.

KEELEY Small Cap Value Fund
SCHEDULE OF INVESTMENTS (Continued)
March 31, 2018 (Unaudited)

Shares	Value	Shares	Value
Machinery – (continued)		Semiconductors & Semiconductor Equipment – 2.15%	
515,200 Welbilt, Inc. (a)	\$ 10,020,640	400,700 Versum Materials, Inc.	\$ 15,078,341
	60,484,630		
Media – 2.93%		Software – 1.61%	
851,756 Media General, Inc. CVR (a)(b)	25,553	264,319 Verint Systems, Inc. (a)	11,259,989
308,384 Nexstar Media Group, Inc. – Class A	20,507,536	Specialty Retail – 1.25%	
	20,533,089	197,166 Penske Automotive Group, Inc.	8,740,369
Metals & Mining – 2.46%		Thriffs & Mortgage Finance – 6.72%	
298,800 Allegheny Technologies, Inc. (a)	7,075,584	142,600 Iberiabank Corp.	11,122,800
100,625 Kaiser Aluminum Corp.	10,153,062	946,859 Kearny Financial Corp.	12,309,167
	17,228,646	391,420 OceanFirst Financial Corp.	10,470,485
Multi-Utilities – 0.95%		516,936 Provident Financial Services, Inc.	13,228,392
123,400 Black Hills Corp.	6,700,620		47,130,844
Oil, Gas & Consumable Fuels – 5.21%		Total Common Stocks	
288,500 Delek US Holdings, Inc.	11,741,950	(Cost \$509,775,614)	\$691,340,129
1,185,260 Oasis Petroleum, Inc. (a)	9,600,606	SHORT TERM INVESTMENTS – 1.44%	
524,700 Parsley Energy, Inc. – Class A (a)	15,211,053	Money Market Funds – 1.44%	
	36,553,609	10,061,480 Fidelity® Investments Money Market Government Portfolio Class I, 1.49% (c)	\$ 10,061,480
Paper & Forest Products – 0.75%		Total Short Term Investments	
154,224 Kapstone Paper & Packaging Corp.	5,291,425	(Cost \$10,061,480)	\$ 10,061,480
Real Estate Investment Trusts (REITs) – 8.56%		Total Investments – 100.04%	
648,600 CareTrust REIT, Inc.	8,691,240	(Cost \$519,837,094)	\$701,401,609
855,340 OUTFRONT Media, Inc.	16,029,072	Liabilities in Excess of Other Assets – (0.04%)	
218,274 Ryman Hospitality Properties, Inc.	16,905,321		(307,546)
735,634 Sabra Health Care REIT, Inc.	12,983,940	TOTAL NET ASSETS – 100.00%	
151,380 Seritage Growth Properties – Class A	5,381,559		\$701,094,063
	59,991,132		
Real Estate Management & Development – 1.96%			
791,386 Kennedy-Wilson Holdings, Inc.	13,770,116		

The accompanying notes are an integral part of these financial statements.

KEELEY Small Cap Value Fund
SCHEDULE OF INVESTMENTS (Continued)
March 31, 2018 (Unaudited)

Percentages are stated as a percent of net assets.

- (a) Non Income Producing.
- (b) A CVR is a contingent value right. The price for this security was derived from an estimate of fair market value using methods approved by the Fund's Board of Directors. This security represents \$25,553 or 0.00% of the Fund's net assets and is classified as a Level 3 security.
- (c) Represents annualized seven-day yield as of the close of the reporting period.

The industry classifications listed above are in accordance with Global Industry Classification Standards (GICS®), which was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor Financial Services LLC ("S&P").

KEELEY Small Cap Dividend Value Fund
SCHEDULE OF INVESTMENTS
March 31, 2018 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
COMMON STOCKS – 96.48%		Construction & Engineering – 3.19%	
Automobiles – 1.92%		91,450 KBR, Inc.	\$ 1,480,575
45,950 Winnebago Industries, Inc.	\$ 1,727,720	55,460 Primoris Services Corp.	1,385,391
Banks – 9.81%			<u>2,865,966</u>
61,110 BancorpSouth Bank	1,943,298	Diversified Consumer Services – 1.55%	
31,100 Bank of NT Butterfield & Son Ltd.	1,395,768	50,192 Carriage Services, Inc.	1,388,311
59,205 CenterState Bank Corp.	1,570,709	Electric Utilities – 2.29%	
93,729 FNB Corp.	1,260,655	17,125 Allete, Inc.	1,237,281
41,700 Guaranty Bancorp	1,182,195	16,110 El Paso Electric Co.	821,610
48,728 State Bank Financial Corp.	1,462,327		<u>2,058,891</u>
	<u>8,814,952</u>	Electrical Equipment – 2.06%	
Capital Markets – 4.85%		17,031 AZZ, Inc.	744,254
108,010 Silvercrest Asset Management Group, Inc. – Class A	1,641,752	15,085 Regal Beloit Corp.	1,106,485
57,690 Solar Capital Ltd.	1,171,684		<u>1,850,739</u>
46,730 Virtu Financial, Inc. – Class A	1,542,090	Electronic Equipment, Instruments & Components – 2.87%	
	<u>4,355,526</u>	77,665 AVX Corp.	1,285,356
Commercial Banks – 9.42%		20,335 Dolby Laboratories, Inc. – Class A	1,292,492
37,210 Columbia Banking System, Inc.	1,560,959		<u>2,577,848</u>
31,530 Glacier Bancorp, Inc.	1,210,121	Energy Equipment & Services – 1.25%	
49,370 Hanmi Financial Corp.	1,518,128	64,230 Patterson-UTI Energy, Inc.	1,124,667
33,706 LegacyTexas Financial Group, Inc.	1,443,291	Gas Utilities – 1.21%	
19,100 Union Bankshares Corp.	701,161	38,710 South Jersey Industries, Inc.	1,090,074
23,610 Wintrust Financial Corp.	2,031,641	Health Care Providers & Services – 4.58%	
	<u>8,465,301</u>	7,925 Chemed Corp.	2,162,415
Commercial Services & Supplies – 3.36%		74,235 The Ensign Group, Inc.	1,952,381
89,985 Covanta Holding Corp.	1,304,782		<u>4,114,796</u>
13,990 Deluxe Corp.	1,035,400	Hotels, Restaurants & Leisure – 1.22%	
13,360 Matthews International Corp. – Class A	676,016	8,190 Marriott Vacations Worldwide Corp.	1,090,908
	<u>3,016,198</u>	Household Durables – 1.27%	
Communications Equipment – 1.68%		53,942 Hamilton Beach Brands Holding Co.	1,144,649
25,050 Plantronics, Inc.	1,512,269	Independent Power and Renewable Electricity Producers – 1.29%	
Computer & Peripherals – 0.85%		58,930 Atlantica Yield PLC	1,153,849
49,630 Diebold Nixdorf, Inc.	764,302		

The accompanying notes are an integral part of these financial statements.

KEELEY Small Cap Dividend Value Fund
SCHEDULE OF INVESTMENTS (Continued)
March 31, 2018 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
Insurance – 1.92%		Real Estate Investment Trusts (REITs) – (continued)	
24,844 FBL Financial Group, Inc. – Class A	\$ 1,722,931	9,270 Ryman Hospitality Properties, Inc.	\$ 717,962
IT Services – 0.67%		79,445 Sabra Health Care REIT, Inc.	1,402,204
37,525 Hackett Group Inc/The	602,652	39,500 STAG Industrial, Inc.	944,840
Machinery – 1.96%			<u>10,045,025</u>
16,375 Astec Industries, Inc.	903,573	Semiconductors & Semiconductor Equipment – 2.35%	
7,530 John Bean Technologies Corp.	853,902	124,580 Cypress Semiconductor Corp.	<u>2,112,877</u>
	<u>1,757,475</u>	Software – 0.74%	
Media – 4.41%		48,770 TiVo Corp.	<u>660,834</u>
28,170 Cinemark Holdings, Inc.	1,061,164	Textiles, Apparel & Luxury Goods – 1.28%	
137,330 Entercom Communications Corp. – Class A	1,325,234	37,742 Culp, Inc.	<u>1,153,018</u>
23,620 Nexstar Media Group, Inc. – Class A	1,570,730	Thrifts & Mortgage Finance – 6.91%	
	<u>3,957,128</u>	43,380 Berkshire Hills Bancorp, Inc.	1,646,271
Metals & Mining – 2.81%		17,720 Iberiabank Corp.	1,382,160
57,630 Commercial Metals Co.	1,179,110	49,960 OceanFirst Financial Corp.	1,336,430
22,315 Compass Minerals International, Inc.	1,345,594	34,910 Oritani Financial Corp.	535,868
	<u>2,524,704</u>	51,130 Provident Financial Services, Inc.	1,308,417
Multi-Utilities – 1.06%			<u>6,209,146</u>
17,600 Black Hills Corp.	955,680	Total Common Stocks	
Oil, Gas & Consumable Fuels – 4.98%			(Cost \$64,441,299) <u>\$86,668,695</u>
50,623 Delek US Holdings, Inc.	2,060,356	SHORT TERM INVESTMENTS – 3.82%	
162,569 Evolution Petroleum Corp.	1,308,681	Money Market Funds – 3.82%	
51,490 SemGroup Corp. – Class A	1,101,886	3,430,598 Fidelity® Investments Money Market Government Portfolio Class I, 1.49% (a)	<u>\$ 3,430,598</u>
	<u>4,470,923</u>	Total Short Term Investments	
Paper & Forest Products – 1.54%			(Cost \$3,430,598) <u>\$ 3,430,598</u>
110,790 Mercer International, Inc.	1,379,336	Total Investments – 100.30%	
Real Estate Investment Trusts (REITs) – 11.18%			(Cost \$67,871,897) <u>\$90,099,293</u>
83,333 CareTrust REIT, Inc.	1,116,662	Liabilities in Excess of Other Assets – (0.30%) <u>(266,348)</u>	
106,010 City Office REIT, Inc.	1,225,476	TOTAL NET ASSETS – 100.00%	
18,855 CorEnergy Infrastructure Trust, Inc.	707,817		<u>\$89,832,945</u>
43,192 Gramercy Property Trust	938,562		
36,925 National Storage Affiliates	926,079		
71,080 OUTFRONT Media, Inc.	1,332,039		
14,090 PotlatchDeltic Corp.	733,384		

The accompanying notes are an integral part of these financial statements.

KEELEY Small Cap Dividend Value Fund
SCHEDULE OF INVESTMENTS (Continued)
March 31, 2018 (Unaudited)

Percentages are stated as a percent of net assets.

(a) Represents annualized seven-day yield as of the close of the reporting period.

The industry classifications listed above are in accordance with Global Industry Classification Standards (GICS[®]), which was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor Financial Services LLC ("S&P").

The accompanying notes are an integral part of these financial statements.

KEELEY Small-Mid Cap Value Fund
SCHEDULE OF INVESTMENTS
March 31, 2018 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
COMMON STOCKS – 97.52%		Electric Utilities – 0.97%	
Auto Components – 2.07%		22,700 Westar Energy, Inc.	\$ 1,193,793
16,600 Aptiv PLC	\$ 1,410,502	Electronic Equipment, Instruments & Components – 1.28%	
23,553 Delphi Technologies PLC	1,122,301	124,270 Knowles Corp. (a)	1,564,559
	<u>2,532,803</u>	Energy Equipment & Services – 1.16%	
Banks – 3.73%		81,430 Patterson-UTI Energy, Inc.	1,425,839
174,400 FNB Corp.	2,345,680	Food Products – 1.27%	
44,990 PacWest Bancorp	2,228,355	26,750 Lamb Weston Holdings, Inc.	1,557,385
	<u>4,574,035</u>	Health Care Equipment & Supplies – 0.97%	
Building Products – 1.87%		59,610 Wright Medical Group N.V. (a)	1,182,662
36,120 A.O. Smith Corp.	2,296,871	Health Care Providers & Services – 1.40%	
Capital Markets – 1.65%		10,600 Laboratory Corporation of America Holdings (a)	1,714,550
128,346 BrightSphere Investment Group PLC	2,022,733	Home Furnishings – 1.71%	
Chemicals – 4.01%		35,645 Fortune Brands Home & Security, Inc.	2,099,134
25,000 Ashland Global Holdings, Inc.	1,744,750	Hotels, Restaurants & Leisure – 4.42%	
74,220 Huntsman Corp.	2,170,935	204,890 Del Taco Restaurants, Inc. (a)	2,122,661
45,455 Valvoline, Inc.	1,005,919	94,500 Denny's Corp. (a)	1,458,135
	<u>4,921,604</u>	16,110 Wyndham Worldwide Corp.	1,843,467
Commercial Banks – 8.80%			<u>5,424,263</u>
32,040 BOK Financial Corp.	3,171,639	Household Durables – 1.39%	
97,720 Hanmi Financial Corp.	3,004,890	103,810 TRI Pointe Group, Inc. (a)	1,705,598
36,030 Synovus Financial Corp.	1,799,338	Household Products – 2.35%	
38,840 UMB Financial Corp.	2,811,628	27,830 Spectrum Brands Holdings, Inc.	2,885,971
	<u>10,787,495</u>	IT Services – 3.53%	
Commercial Services & Supplies – 2.04%		12,782 Black Knight, Inc. (a)	602,032
49,040 Copart, Inc. (a)	2,497,607	14,120 Broadridge Financial Solutions, Inc.	1,548,823
Communications Equipment – 2.21%		13,930 WEX, Inc. (a)	2,181,717
292,180 Mitel Networks Corp. (a)	2,711,430		<u>4,332,572</u>
Diversified Consumer Services – 1.33%		Machinery – 6.94%	
58,730 Carriage Services, Inc.	1,624,472	43,857 ESCO Technologies, Inc.	2,567,827
Diversified Financial Services – 7.44%		57,130 ITT, Inc.	2,798,228
76,030 Air Lease Corp.	3,240,399		
41,310 Fidelity National Financial, Inc.	1,653,226		
83,790 Voya Financial, Inc.	4,231,395		
	<u>9,125,020</u>		

The accompanying notes are an integral part of these financial statements.

KEELEY Small-Mid Cap Value Fund
SCHEDULE OF INVESTMENTS (Continued)
March 31, 2018 (Unaudited)

Shares	Value	Shares	Value
Machinery – (continued)		Specialty Retail – 1.40%	
27,670 John Bean Technologies Corp.	\$ 3,137,778	38,670 Penske Automotive Group, Inc.	\$ 1,714,241
	8,503,833	Textiles, Apparel & Luxury Goods – 1.99%	
Metals & Mining – 1.19%		16,070 PVH Corp.	2,433,480
14,480 Kaiser Aluminum Corp.	1,461,032	Trading Companies & Distributors – 1.50%	
Multi-Utilities – 5.80%		36,300 AerCap Holdings N.V. (a)	1,841,136
79,280 MDU Resources Group, Inc.	2,232,525	Water Utilities – 1.14%	
159,790 NRG Energy, Inc.	4,878,389	17,040 American Water Works Company, Inc.	1,399,495
	7,110,914	Total Common Stocks (Cost \$77,249,927) \$119,577,280	
Oil, Gas & Consumable Fuels – 4.70%		SHORT TERM INVESTMENTS – 1.19%	
32,085 Energen Corp. (a)	2,016,863	Money Market Funds – 1.19%	
89,865 Parsley Energy, Inc. – Class A (a)	2,605,186	1,455,681 Fidelity® Investments Money Market Government Portfolio Class I, 1.49% (b)	\$ 1,455,681
63,480 SM Energy Co.	1,144,545	Total Short Term Investments (Cost \$1,455,681) \$ 1,455,681	
	5,766,594	Total Investments – 98.71% (Cost \$78,705,608) \$121,032,961	
Real Estate Investment Trusts (REITs) – 10.76%		Other Assets in Excess of Liabilities – 1.29% 1,579,475	
116,355 CareTrust REIT, Inc.	1,559,157	TOTAL NET ASSETS – 100.00% \$122,612,436	
59,220 Equity Commonwealth (a)	1,816,277		
45,035 Gaming & Leisure Properties, Inc.	1,507,322		
45,783 Iron Mountain, Inc.	1,504,429		
24,350 Lamar Advertising Co. – Class A	1,550,121		
24,420 Ryman Hospitality Properties, Inc.	1,891,329		
125,960 Sabra Health Care REIT, Inc.	2,223,194		
62,130 VICI Properties, Inc.	1,138,222		
	13,190,051		
Real Estate Management & Development – 2.52%			
22,210 The Howard Hughes Corp. (a)	3,090,077		
Road & Rail – 1.30%			
21,970 Ryder System, Inc.	1,599,196		
Software – 2.68%			
28,090 CDK Global, Inc.	1,779,221		
35,390 Verint Systems, Inc. (a)	1,507,614		
	3,286,835		

Percentages are stated as a percent of net assets.

(a) Non Income Producing.

(b) Represents annualized seven-day yield as of the close of the reporting period.

The industry classifications listed above are in accordance with Global Industry Classification Standards (GICS®), which was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor Financial Services LLC (“S&P”).

The accompanying notes are an integral part of these financial statements.

KEELEY Mid Cap Dividend Value Fund
SCHEDULE OF INVESTMENTS
March 31, 2018 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
COMMON STOCKS – 94.95%		Electronic Equipment, Instruments & Components – 1.47%	
Aerospace & Defense – 1.44%		28,025 Dolby Laboratories, Inc. – Class A	
27,390 BWX Technologies, Inc.	\$ 1,740,087		\$ 1,781,269
Auto Components – 1.62%		Energy Equipment & Services – 0.74%	
13,425 Autoliv, Inc.	1,959,245	51,100 Patterson-UTI Energy, Inc.	894,761
Banks – 1.42%		Food Products – 2.84%	
127,890 FNB Corp.	1,720,121	51,500 Conagra Brands, Inc.	1,899,320
Capital Markets – 1.25%		26,341 Lamb Weston Holdings, Inc.	1,533,573
10,205 Ameriprise Financial, Inc.	1,509,728		3,432,893
Chemicals – 4.42%		Gas Utilities – 1.94%	
30,875 FMC Corp.	2,364,099	26,150 National Fuel Gas Co.	1,345,418
58,720 Huntsman Corp.	1,717,560	22,555 UGI Corp.	1,001,893
26,625 RPM International, Inc.	1,269,214		2,347,311
	5,350,873	Health Care Equipment & Supplies – 1.55%	
Commercial Banks – 8.63%		20,105 STERIS PLC	1,877,003
73,960 Associated Banc-Corp.	1,837,906	Health Care Providers & Services – 2.64%	
27,574 BOK Financial Corp.	2,729,549	13,800 AmerisourceBergen Corp.	1,189,698
26,060 Comerica, Inc.	2,499,936	12,000 CIGNA Corp.	2,012,880
18,675 UMB Financial Corp.	1,351,883		3,202,578
94,300 Umpqua Holdings Corp.	2,018,963	Hotels, Restaurants & Leisure – 3.64%	
	10,438,237	105,810 Extended Stay America, Inc.	2,091,864
Commercial Services & Supplies – 2.08%		20,200 Wyndham Worldwide Corp.	2,311,485
16,100 Dun & Bradstreet Corp.	1,883,700		4,403,349
19,995 Ritchie Bros. Auctioneers, Inc.	629,243	Insurance – 4.35%	
	2,512,943	22,000 Arthur J. Gallagher & Co.	1,512,060
Construction Materials – 1.68%		31,300 Lincoln National Corp.	2,286,777
17,825 Vulcan Materials Co.	2,035,080	9,500 Reinsurance Group of America, Inc.	1,463,000
Consumer Finance – 1.63%			5,261,837
27,505 Discover Financial Services	1,978,435	IT Services – 4.79%	
Diversified Financial Services – 4.00%		26,700 DXC Technology Co.	2,684,151
62,100 Air Lease Corp.	2,646,702	6,590 Fidelity National Information Services, Inc.	634,617
43,400 Voya Financial, Inc.	2,191,700	28,680 Total System Services, Inc.	2,473,937
	4,838,402		5,792,705
Electric Utilities – 2.10%			
43,425 PPL Corp.	1,228,493		
25,005 Westar Energy, Inc.	1,315,013		
	2,543,506		

The accompanying notes are an integral part of these financial statements.

KEELEY Mid Cap Dividend Value Fund
SCHEDULE OF INVESTMENTS (Continued)
March 31, 2018 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
Leisure Equipment & Products – 1.54%		Real Estate Investment Trusts (REITs) – (continued)	
31,385 Brunswick Corp.	\$ 1,863,955	65,235 Hudson Pacific Properties, Inc.	\$ 2,122,096
Life Sciences Tools & Services – 1.02%		64,240 Iron Mountain, Inc.	2,110,926
18,410 Agilent Technologies, Inc.	1,231,629	25,155 Lamar Advertising Co. – Class A	1,601,367
Machinery – 4.43%		90,890 Sabra Health Care REIT, Inc.	1,604,209
38,940 ITT, Inc.	1,907,281	77,890 Spirit Realty Capital, Inc.	604,426
26,900 Oshkosh Corp.	2,078,562	45,685 VICI Properties, Inc.	836,949
9,400 Snap-On, Inc.	1,386,876		<u>17,299,546</u>
	<u>5,372,719</u>	Road & Rail – 1.46%	
Media – 2.19%		24,330 Ryder System, Inc.	1,770,981
44,395 Cinemark Holdings, Inc.	1,672,360	Specialty Retail – 1.32%	
85,890 TEGNA, Inc.	978,287	35,100 Foot Locker, Inc.	1,598,454
	<u>2,650,647</u>	Water Utilities – 0.96%	
Multi-Utilities – 6.00%		14,150 American Water Works Company, Inc.	1,162,140
27,100 Black Hills Corp.	1,471,530	Total Common Stocks	
64,575 MDU Resources Group, Inc.	1,818,432	(Cost \$100,183,301) \$114,913,332	
83,060 NRG Energy, Inc.	2,535,821	SHORT TERM INVESTMENTS – 5.13%	
43,650 OGE Energy Corp.	1,430,411	Money Market Funds – 5.13%	
	<u>7,256,194</u>	6,206,116 Fidelity® Investments Money Market Government Portfolio Class I, 1.49% (b)	\$ 6,206,116
Oil, Gas & Consumable Fuels – 7.51%		Total Short Term Investments	
70,000 Cabot Oil & Gas Corp.	1,678,600	(Cost \$6,206,116) \$ 6,206,116	
44,555 Delek US Holdings, Inc.	1,813,389	Total Investments – 100.08%	
16,985 Energen Corp. (a)	1,067,677	(Cost \$106,389,417) \$121,119,448	
38,785 EQT Corp.	1,842,675	Liabilities in Excess of Other Assets – (0.08%) (92,853)	
27,965 HollyFrontier Corp.	1,366,370	TOTAL NET ASSETS – 100.00%	
73,100 SM Energy Co.	1,317,993	\$121,026,595	
	<u>9,086,704</u>		
Real Estate Investment Trusts (REITs) – 14.29%			
73,790 Brixmor Property Group, Inc.	1,125,298		
45,725 DDR Corp.	335,164		
37,435 Education Realty Trust, Inc.	1,225,996		
20,650 EPR Properties	1,144,010		
14,100 Equity Lifestyle Properties, Inc.	1,237,557		
68,380 Gramercy Property Trust	1,485,897		
70,535 Healthcare Trust of America, Inc. – Class A	1,865,651		

The accompanying notes are an integral part of these financial statements.

KEELEY Mid Cap Dividend Value Fund
SCHEDULE OF INVESTMENTS (Continued)
March 31, 2018 (Unaudited)

Percentages are stated as a percent of net assets.

- (a) Non Income Producing.
- (b) Represents annualized seven-day yield as of the close of the reporting period.

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KEELEY All Cap Value Fund
SCHEDULE OF INVESTMENTS
March 31, 2018 (Unaudited)

<u>Shares</u>	<u>Value</u>	<u>Shares</u>	<u>Value</u>
COMMON STOCKS – 97.96%		Health Care Equipment & Supplies – (continued)	
Auto Components – 3.50%			
17,690 Visteon Corp. (a)	\$ 1,950,146	51,704 Wright Medical Group N.V. (a)	\$ 1,025,807
Banks – 7.76%			<u>3,072,375</u>
40,210 Bank of America Corp.	1,205,898	Health Care Providers & Services – 1.84%	
12,100 Bank of NT Butterfield & Son Ltd.	543,048	11,880 AmerisourceBergen Corp.	1,024,175
19,400 Citigroup, Inc.	1,309,500	Hotels, Restaurants & Leisure – 3.75%	
44,958 Opus Bank	1,258,824	94,200 Del Taco Restaurants, Inc. (a)	975,912
	<u>4,317,270</u>	9,690 Wyndham Worldwide Corp.	1,108,827
Beverages – 2.13%			<u>2,084,739</u>
15,720 Molson Coors Brewing Co. – Class B	1,184,188	Household Products – 2.50%	
Biotechnology – 2.84%		13,420 Spectrum Brands Holdings, Inc.	1,391,654
10,583 Shire PLC – ADR	1,580,994	Insurance – 2.98%	
Chemicals – 1.78%		34,625 Athene Holding Ltd. – Class A (a)	1,655,421
15,515 DowDuPont, Inc.	988,461	IT Services – 1.48%	
Commercial Banks – 7.53%		8,565 Fidelity National Information Services, Inc.	824,809
10,895 BOK Financial Corp.	1,078,496	Machinery – 2.24%	
31,030 Hanmi Financial Corp.	954,172	25,500 ITT, Inc.	1,248,990
34,370 Hilltop Holdings, Inc.	806,320	Media – 1.80%	
18,650 UMB Financial Corp.	1,350,074	15,070 Nexstar Media Group, Inc. – Class A	1,002,155
	<u>4,189,062</u>	Metals & Mining – 1.57%	
Construction & Engineering – 2.22%		8,660 Kaiser Aluminum Corp.	873,794
76,225 KBR, Inc.	1,234,083	Multi-Utilities – 4.05%	
Consumer Finance – 2.16%		73,785 NRG Energy, Inc.	2,252,656
16,670 Discover Financial Services	1,199,073	Oil, Gas & Consumable Fuels – 7.85%	
Diversified Financial Services – 8.29%		30,600 Delek US Holdings, Inc.	1,245,420
49,450 Air Lease Corp.	2,107,559	19,540 EOG Resources, Inc.	2,056,976
49,650 Voya Financial, Inc.	2,507,325	36,705 Parsley Energy, Inc. – Class A (a)	1,064,078
	<u>4,614,884</u>		<u>4,366,474</u>
Energy Equipment & Services – 2.63%		Pharmaceuticals – 3.10%	
31,125 Halliburton Co.	1,461,007	20,649 Zoetis, Inc.	1,724,398
Food Products – 2.41%		Real Estate Investment Trusts (REITs) – 2.74%	
32,125 Mondelez International, Inc. – Class A	1,340,576	49,690 Equity Commonwealth (a)	1,523,992
Health Care Equipment & Supplies – 5.52%			
34,155 Abbott Laboratories	2,046,568		

The accompanying notes are an integral part of these financial statements.

KEELEY All Cap Value Fund
SCHEDULE OF INVESTMENTS (Continued)
March 31, 2018 (Unaudited)

Shares	Value
Real Estate Management & Development – 6.26%	
74,550 Kennedy-Wilson Holdings, Inc.	\$ 1,297,170
15,730 The Howard Hughes Corp. (a)	2,188,515
	3,485,685
Semiconductors & Semiconductor Equipment – 7.03%	
43,080 Intel Corp.	2,243,607
44,380 Versum Materials, Inc.	1,670,019
	3,913,626
Total Common Stocks	
(Cost \$42,128,991)	\$54,504,687
SHORT TERM INVESTMENTS – 2.09%	
Money Market Funds – 2.09%	
1,161,348 Fidelity® Investments Money Market Government Portfolio Class I, 1.49% (b)	\$ 1,161,348
Total Short Term Investments	
(Cost \$1,161,348)	\$ 1,161,348
Total Investments – 100.05%	
(Cost \$43,290,339)	\$55,666,035
Liabilities in Excess of Other Assets – (0.05)%	(26,475)
TOTAL NET ASSETS – 100.00%	
	\$55,639,560

Percentages are stated as a percent of net assets.

ADR American Depositary Receipt

(a) Non Income Producing.

(b) Represents annualized seven-day yield as of the close of the reporting period.

The industry classifications listed above are in accordance with Global Industry Classification Standards (GICS®), which was developed by and/or is the exclusive property of MSCI, Inc. and Standard & Poor Financial Services LLC (“S&P”).

The accompanying notes are an integral part of these financial statements.

KEELEY Funds, Inc.
STATEMENT OF ASSETS AND LIABILITIES
March 31, 2018 (Unaudited)

	<u>Small Cap Value Fund</u>
ASSETS:	
Investments, at value ⁽¹⁾	\$701,401,609
Receivable for investments sold	543,581
Receivable for shares issued	2,426,089
Dividends and interest receivable	1,340,726
Prepaid expenses and other assets	53,520
Total Assets	<u>705,765,525</u>
LIABILITIES:	
Payable for investments purchased	—
Payable for shares redeemed	3,388,400
Payable to Adviser	578,571
Payable to Directors	15,403
Payable to Custodian	11,783
Distribution payable	—
Accrued 12b-1 fees - Class A	35,565
Other accrued expenses	641,740
Total Liabilities	<u>4,671,462</u>
NET ASSETS	<u><u>\$701,094,063</u></u>
NET ASSETS CONSIST OF:	
Capital stock	\$481,365,738
Accumulated undistributed net investment income/(loss)	1,596,305
Accumulated undistributed net realized gain on investments	36,567,505
Net unrealized appreciation on Investments	181,564,515
NET ASSETS	<u><u>\$701,094,063</u></u>
CAPITAL STOCK, \$0.0001 par value	
Class A Shares	
Authorized	500,000,000
Issued and outstanding	13,669,043
NET ASSETS	\$424,095,040
NET ASSET VALUE	<u>\$ 31.03</u>
MAXIMUM OFFERING PRICE PER SHARE ⁽²⁾	<u>\$ 32.49</u>
Class I Shares	
Authorized	100,000,000
Issued and outstanding	8,807,337
NET ASSETS	\$276,999,023
NET ASSET VALUE	<u>\$ 31.45</u>
⁽¹⁾ Cost of Investments.	\$519,837,094

⁽²⁾ Includes a sales load of 4.50% (see Note 7 of the Notes to the Financial Statements).

The accompanying notes are an integral part of these financial statements.

KEELEY Funds, Inc.
STATEMENT OF ASSETS AND LIABILITIES (Continued)
March 31, 2018 (Unaudited)

<u>Small Cap Dividend Value Fund</u>	<u>Small-Mid Cap Value Fund</u>	<u>Mid Cap Dividend Value Fund</u>	<u>All Cap Value Fund</u>
\$ 90,099,293	\$121,032,961	\$121,119,448	\$ 55,666,035
786,251	3,716,931	—	—
4,281	46,795	43,623	—
213,968	197,520	262,146	64,816
23,589	18,858	20,062	14,994
<u>91,127,382</u>	<u>125,013,065</u>	<u>121,445,279</u>	<u>55,745,845</u>
919,076	—	—	—
251,466	2,226,013	244,706	23,627
62,012	97,969	86,840	41,201
1,510	1,896	1,263	790
1,511	2,596	1,377	955
11,620	—	45,974	—
112	3,040	4,303	2,024
47,130	69,115	34,221	37,688
<u>1,294,437</u>	<u>2,400,629</u>	<u>418,684</u>	<u>106,285</u>
<u>\$ 89,832,945</u>	<u>\$122,612,436</u>	<u>\$121,026,595</u>	<u>\$ 55,639,560</u>
\$ 63,061,736	\$ 72,258,289	\$104,239,178	\$ 41,792,847
(12,705)	183,243	(73,680)	(84,162)
4,556,518	7,843,551	2,131,066	1,555,179
22,227,396	42,327,353	14,730,031	12,375,696
<u>\$ 89,832,945</u>	<u>\$122,612,436</u>	<u>\$121,026,595</u>	<u>\$ 55,639,560</u>
100,000,000	100,000,000	100,000,000	100,000,000
949,649	2,401,918	875,483	872,117
\$ 17,159,541	\$ 33,671,707	\$ 19,466,857	\$ 14,767,057
<u>\$ 18.07</u>	<u>\$ 14.02</u>	<u>\$ 22.24</u>	<u>\$ 16.93</u>
<u>\$ 18.92</u>	<u>\$ 14.68</u>	<u>\$ 23.28</u>	<u>\$ 17.73</u>
100,000,000	100,000,000	100,000,000	100,000,000
4,015,798	6,211,296	4,567,896	2,388,852
\$ 72,673,404	\$ 88,940,729	\$101,559,738	\$ 40,872,503
<u>\$ 18.10</u>	<u>\$ 14.32</u>	<u>\$ 22.23</u>	<u>\$ 17.11</u>
<u>\$ 67,871,897</u>	<u>\$ 78,705,608</u>	<u>\$106,389,417</u>	<u>\$ 43,290,339</u>

The accompanying notes are an integral part of these financial statements.

KEELEY Funds, Inc.
STATEMENT OF OPERATIONS
March 31, 2018 (Unaudited)

	Small Cap Value Fund
INVESTMENT INCOME:	
Dividend income	\$ 6,740,920
Less: Foreign withholding tax	(16,362)
Interest income	81,397
Total Investment Income	<u>6,805,955</u>
EXPENSES:	
Investment advisory fees	3,888,090
12b-1 fees - Class A	586,606
Shareholder servicing fees	194,404
Transfer agent fees and expenses	112,690
Federal and state registration fees	23,860
Audit expense	30,678
Fund accounting and administration fees	129,206
Directors' fees	67,996
Custody fees	27,448
Reports to shareholders	63,944
Interest expense	—
Other	107,899
Total expenses before reimbursement	5,232,821
Reimbursement of expenses by Adviser	(210,868)
NET EXPENSES	<u>5,021,953</u>
NET INVESTMENT INCOME/(LOSS)	<u>1,784,002</u>
REALIZED AND UNREALIZED GAIN/(LOSS) ON INVESTMENTS:	
Net realized gain on investment from sales of investments	42,356,720
Change in net unrealized appreciation/(depreciation) on investments	(46,409,855)
Net Gain/(Loss) on investments	(4,053,135)
NET INCREASE/(DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS	<u>\$ (2,269,133)</u>

The accompanying notes are an integral part of these financial statements.

KEELEY Funds, Inc.
STATEMENT OF OPERATIONS (Continued)
March 31, 2018 (Unaudited)

<u>Small Cap Dividend Value Fund</u>	<u>Small-Mid Cap Value Fund</u>	<u>Mid Cap Dividend Value Fund</u>	<u>All Cap Value Fund</u>
\$ 1,322,500	\$ 1,020,792	\$1,271,177	\$ 342,351
—	—	(1,244)	—
<u>21,659</u>	<u>15,561</u>	<u>26,902</u>	<u>5,777</u>
<u>1,344,159</u>	<u>1,036,353</u>	<u>1,296,835</u>	<u>348,128</u>
478,759	655,457	614,176	288,029
22,869	49,856	24,871	19,622
23,938	32,773	30,709	14,402
12,570	17,030	13,602	7,552
18,132	16,732	20,052	15,996
13,758	13,758	13,758	13,758
16,468	21,290	17,588	10,008
8,090	11,096	9,928	4,820
4,010	5,558	4,088	2,558
5,736	8,382	5,302	3,020
—	606	—	41
<u>12,462</u>	<u>17,006</u>	<u>13,797</u>	<u>8,120</u>
616,792	849,544	767,871	387,926
<u>(95,732)</u>	<u>(51,445)</u>	<u>(103,892)</u>	<u>(39,720)</u>
<u>521,060</u>	<u>798,099</u>	<u>663,979</u>	<u>348,206</u>
823,099	238,254	632,856	(78)
4,946,228	10,246,908	2,221,740	1,983,638
<u>(5,325,349)</u>	<u>(4,353,738)</u>	<u>(215,364)</u>	<u>610,265</u>
<u>(379,121)</u>	<u>5,893,170</u>	<u>2,006,376</u>	<u>2,593,903</u>
<u>\$ 443,978</u>	<u>\$ 6,131,424</u>	<u>\$2,639,232</u>	<u>\$2,593,825</u>

The accompanying notes are an integral part of these financial statements.

KEELEY Funds, Inc.
STATEMENTS OF CHANGES IN NET ASSETS

	Small Cap Value Fund	
	Six Months Ended March 31, 2018 (Unaudited)	Year Ended September 30, 2017
OPERATIONS:		
Net investment income	\$ 1,784,002	\$ 2,230,995
Net realized gain on investments	42,356,720	94,396,747
Change in net unrealized appreciation/(depreciation) on investments	(46,409,855)	19,701,672
Net increase/(decrease) in net assets resulting from operations	(2,269,133)	116,329,414
DISTRIBUTIONS:		
Net investment income - Class A	(839,289)	(2,955,616)
Net investment income - Class I	(1,209,604)	(2,706,813)
Net realized gains - Class A	(44,195,875)	(31,315,624)
Net realized gains - Class I	(29,211,495)	(19,784,540)
Total Distributions	(75,456,263)	(56,762,593)
CAPITAL STOCK TRANSACTIONS		
Class A Shares		
Proceeds from shares issued	6,806,325	21,797,628
Proceeds from distributions reinvested	42,330,908	32,184,752
Cost of shares redeemed	(82,071,185)	(233,744,340)
Net (decrease) from capital stock transactions	(32,933,952)	(179,761,960)
Class I Shares		
Proceeds from shares issued	16,911,783	63,182,296
Proceeds from distributions reinvested	29,574,850	21,166,318
Cost of shares redeemed	(66,909,765)	(205,851,594)
Net increase/(decrease) from capital stock transactions	(20,423,132)	(121,502,980)
TOTAL (DECREASE) IN NET ASSETS	(131,082,480)	(241,698,119)
NET ASSETS:		
Beginning of period	832,176,543	1,073,874,662
End of period	\$ 701,094,063	\$ 832,176,543
Accumulated undistributed net investment income/(loss)	\$ 1,596,305	\$ 1,861,196
CAPITAL SHARE TRANSACTIONS:		
Class A Shares		
Shares sold	208,893	653,583
Issued to shareholder in reinvestment of dividends	1,342,727	953,930
Shares redeemed	(2,491,579)	(7,065,735)
Net (decrease) from capital stock transactions	(939,959)	(5,458,222)
Class I Shares		
Shares sold	507,621	1,894,913
Issued to shareholder in reinvestment of dividends	923,916	619,410
Shares redeemed	(2,024,592)	(6,148,771)
Net increase/(decrease) from capital stock transactions	(593,055)	(3,634,448)

The accompanying notes are an integral part of these financial statements.

KEELEY Funds, Inc.
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

Small Cap Dividend Value Fund		Small-Mid Cap Value Fund	
Six Months Ended March 31, 2018 (Unaudited)	Year Ended September 30, 2017	Six Months Ended March 31, 2018 (Unaudited)	Year Ended September 30, 2017
\$ 823,099	\$ 1,605,898	\$ 238,254	\$ 883,506
4,946,228	6,780,310	10,246,908	15,469,502
<u>(5,325,349)</u>	<u>9,543,867</u>	<u>(4,353,738)</u>	<u>9,079,331</u>
443,978	17,930,075	6,131,424	25,432,339
(137,362)	(317,901)	(221,629)	(54,360)
(689,592)	(1,224,516)	(640,807)	(369,301)
(1,009,995)	(435,309)	(3,868,378)	(3,540,916)
<u>(4,590,285)</u>	<u>(1,348,778)</u>	<u>(8,891,132)</u>	<u>(7,770,660)</u>
<u>(6,427,234)</u>	<u>(3,326,504)</u>	<u>(13,621,946)</u>	<u>(11,735,237)</u>
1,532,612	1,761,046	2,037,420	4,321,310
1,096,781	715,052	3,997,008	3,478,365
<u>(6,868,400)</u>	<u>(8,191,633)</u>	<u>(13,563,088)</u>	<u>(14,332,263)</u>
<u>(4,239,007)</u>	<u>(5,715,535)</u>	<u>(7,528,660)</u>	<u>(6,532,588)</u>
5,541,642	10,828,054	4,661,074	11,796,800
5,052,933	2,570,318	9,498,323	8,052,991
<u>(8,700,092)</u>	<u>(24,556,170)</u>	<u>(11,614,397)</u>	<u>(42,136,173)</u>
1,894,483	(11,157,798)	2,545,000	(22,286,382)
<u>(8,327,780)</u>	<u>(2,269,762)</u>	<u>(12,474,182)</u>	<u>(15,121,868)</u>
98,160,725	100,430,487	135,086,618	150,208,486
<u>\$89,832,945</u>	<u>\$ 98,160,725</u>	<u>\$122,612,436</u>	<u>\$135,086,618</u>
<u>\$ (12,705)</u>	<u>\$ (8,850)</u>	<u>\$ 183,243</u>	<u>\$ 807,425</u>
81,968	96,644	141,061	314,211
58,900	38,353	285,079	258,588
<u>(356,821)</u>	<u>(449,732)</u>	<u>(940,627)</u>	<u>(1,036,156)</u>
<u>(215,953)</u>	<u>(314,735)</u>	<u>(514,487)</u>	<u>(463,357)</u>
287,680	592,904	313,040	832,521
270,828	137,550	662,708	586,856
<u>(465,782)</u>	<u>(1,359,552)</u>	<u>(788,405)</u>	<u>(3,021,205)</u>
<u>92,726</u>	<u>(629,098)</u>	<u>187,343</u>	<u>(1,601,828)</u>

The accompanying notes are an integral part of these financial statements.

KEELEY Funds, Inc.
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

	<u>Mid Cap Dividend Value Fund</u>	
	<u>Six Months Ended March 31, 2018 (Unaudited)</u>	<u>Year Ended September 30, 2017</u>
OPERATIONS:		
Net investment income/(loss)	\$ 632,856	\$ 1,022,575
Net realized gain on investments	2,221,740	17,273,831
Change in net unrealized appreciation/(depreciation) on investments	<u>(215,364)</u>	<u>(2,408,095)</u>
Net increase in net assets resulting from operations	<u>2,639,232</u>	<u>15,888,311</u>
DISTRIBUTIONS:		
Net investment income - Class A	(86,193)	(148,559)
Net investment income - Class I	(576,528)	(857,199)
Net realized gains - Class A	—	—
Net realized gains - Class I	—	—
Total Distributions	<u>(662,721)</u>	<u>(1,005,758)</u>
CAPITAL STOCK TRANSACTIONS		
Class A Shares		
Proceeds from shares issued	1,354,324	5,897,384
Proceeds from distributions reinvested	80,072	135,264
Cost of shares redeemed	<u>(1,553,545)</u>	<u>(10,233,860)</u>
Net (decrease) from capital stock transactions	<u>(119,149)</u>	<u>(4,201,212)</u>
Class I Shares		
Proceeds from shares issued	7,863,663	21,864,405
Proceeds from distributions reinvested	489,688	850,703
Cost of shares redeemed	<u>(6,818,512)</u>	<u>(5,713,503)</u>
Net increase/(decrease) from capital stock transactions	<u>1,534,839</u>	<u>17,001,605</u>
TOTAL INCREASE/(DECREASE) IN NET ASSETS	<u>3,392,201</u>	<u>27,682,946</u>
NET ASSETS:		
Beginning of period	<u>117,634,394</u>	<u>89,951,448</u>
End of period	<u>\$121,026,595</u>	<u>\$117,634,394</u>
Accumulated undistributed net investment (loss)	<u>\$ (73,680)</u>	<u>\$ (43,815)</u>
CAPITAL SHARE TRANSACTIONS:		
Class A Shares		
Shares sold	58,730	290,070
Issued to shareholder in reinvestment of dividends	3,518	6,541
Shares redeemed	<u>(68,951)</u>	<u>(509,015)</u>
Net (decrease) from capital stock transactions	<u>(6,703)</u>	<u>(212,404)</u>
Class I Shares		
Shares sold	341,323	1,066,168
Issued to shareholder in reinvestment of dividends	21,525	40,965
Shares redeemed	<u>(297,714)</u>	<u>(275,773)</u>
Net increase/(decrease) from capital stock transactions	<u>65,134</u>	<u>831,360</u>

The accompanying notes are an integral part of these financial statements.

KEELEY Funds, Inc.
STATEMENTS OF CHANGES IN NET ASSETS (Continued)

All Cap Value Fund	
Six Months Ended March 31, 2018 (Unaudited)	Year Ended September 30, 2017
\$ (78)	\$ 158,213
1,983,638	4,909,782
610,265	2,127,221
2,593,825	7,195,216
—	(77,072)
—	(316,386)
(595,275)	(795,513)
(1,586,033)	(1,952,876)
(2,181,308)	(3,141,847)
143,626	1,293,835
582,264	844,570
(1,916,162)	(5,850,015)
(1,190,272)	(3,711,610)
162,247	2,241,719
1,585,774	2,268,947
(3,456,628)	(9,874,011)
(1,708,607)	(5,363,345)
(2,486,362)	(5,021,586)
58,125,922	63,147,508
\$55,639,560	\$58,125,922
\$ (84,162)	\$ (84,084)
8,382	78,287
34,679	52,514
(111,376)	(365,089)
(68,315)	(234,288)
9,374	139,307
93,556	139,812
(201,264)	(602,947)
(98,334)	(323,828)

The accompanying notes are an integral part of these financial statements.

KEELEY Small Cap Value Fund FINANCIAL HIGHLIGHTS

	Six Months Ended March 31, 2018 (Unaudited)	Year Ended September 30,				
		2017	2016	2015	2014	2013
CLASS A ⁽¹⁾						
Net asset value, beginning of period	\$ 34.48	\$ 32.29	\$ 33.63	\$ 36.25	\$ 35.62	\$ 27.01
Income from investment operations:						
Net investment income/(loss) ⁽²⁾	0.06	0.05	0.12	0.01	(0.02)	0.16
Net realized and unrealized gain/(loss) on investments	(0.22)	3.98	2.93	(2.55)	0.77	8.51
Total from investment operations	(0.16)	4.03	3.05	(2.54)	0.75	8.67
Less distributions:						
Net investment income	(0.06)	(0.15)	—	—	(0.12)	(0.06)
Net realized gains	(3.23)	(1.69)	(4.39)	(0.08)	—	—
Net asset value, end of period	\$ 31.03	\$ 34.48	\$ 32.29	\$ 33.63	\$ 36.25	\$ 35.62
Total return ⁽³⁾	(0.60)% ⁽⁶⁾	12.65%	10.09%	(7.02)%	2.10%	32.17%
Supplemental data and ratios:						
Net assets, end of period (in 000's)	\$424,095	\$503,762	\$647,939	\$1,011,544	\$1,552,587	\$2,036,972
Ratio of expenses to average net assets ⁽⁴⁾	1.39% ⁽⁵⁾	1.40%	1.40%	1.36%	1.35%	1.36%
Ratio of net investment income/(loss) to average net assets	0.36% ⁽⁵⁾	0.14%	0.40%	0.04%	(0.06)%	0.52%
Prior to Reimbursement:						
Ratio of expenses to average net assets ⁽⁴⁾	1.44% ⁽⁵⁾	1.43%	1.42%	1.36%	1.35%	1.36%
Ratio of net investment income/(loss) to average net assets	0.31% ⁽⁵⁾	0.11%	0.38%	0.04%	(0.06)%	0.52%
Portfolio turnover rate	13.63% ⁽⁶⁾	28.21%	35.56%	24.70%	42.72%	51.12%
CLASS I ⁽¹⁾						
Net asset value, beginning of period	\$ 34.94	\$ 32.68	\$ 33.97	\$ 36.61	\$ 35.94	\$ 27.28
Income from investment operations:						
Net investment income ⁽²⁾	0.10	0.13	0.20	0.11	0.07	0.24
Net realized and unrealized gain/(loss) on investments	(0.23)	4.04	2.97	(2.58)	0.79	8.58
Total from investment operations	(0.13)	4.17	3.17	(2.47)	0.86	8.82
Less distributions:						
Net investment income	(0.13)	(0.22)	(0.07)	(0.09)	(0.19)	(0.16)
Net realized gains	(3.23)	(1.69)	(4.39)	(0.08)	—	—
Net asset value, end of period	\$ 31.45	\$ 34.94	\$ 32.68	\$ 33.97	\$ 36.61	\$ 35.94
Total return ⁽³⁾	(0.51)% ⁽⁶⁾	12.95%	10.39%	(6.80)%	2.36%	32.49%
Supplemental data and ratios:						
Net assets, end of period (in 000's)	\$276,999	\$328,415	\$425,935	\$ 615,835	\$ 971,154	\$ 939,482
Ratio of expenses to average net assets ⁽⁴⁾	1.14% ⁽⁵⁾	1.15%	1.15%	1.11%	1.10%	1.11%
Ratio of net investment income to average net assets	0.61% ⁽⁵⁾	0.39%	0.65%	0.29%	0.19%	0.77%
Prior to Reimbursement:						
Ratio of expenses to average net assets ⁽⁴⁾	1.19% ⁽⁵⁾	1.18%	1.17%	1.11%	1.10%	1.11%
Ratio of net investment income to average net assets	0.56% ⁽⁵⁾	0.36%	0.63%	0.29%	0.19%	0.77%
Portfolio turnover rate	13.63% ⁽⁶⁾	28.21%	35.56%	24.70%	42.72%	51.12%

⁽¹⁾ Per share data is for a share outstanding throughout the period.

⁽²⁾ Net investment income/(loss) per share has been calculated based on average shares outstanding during the period.

⁽³⁾ The total return calculation does not reflect the sales load imposed on the purchase of shares (see Note 7 of the Notes to the Financial Statements).

⁽⁴⁾ The ratio of expenses to average net assets includes interest expense and deferred compensation expense which was 0.00%, 0.01%, 0.01%, 0.00%, 0.01%, and 0.00% respectively. (see Note 3 of the Notes to the Financial Statements).

⁽⁵⁾ Annualized.

⁽⁶⁾ Not Annualized.

The accompanying notes are an integral part of these financial statements.

KEELEY Small Cap Dividend Value Fund FINANCIAL HIGHLIGHTS

	Six Months Ended March 31, 2018 (Unaudited)	Year Ended September 30,				
		2017	2016	2015	2014	2013
CLASS A ⁽¹⁾						
Net asset value, beginning of period	\$ 19.27	\$ 16.63	\$ 15.21	\$ 16.79	\$ 16.73	\$ 14.21
Income from investment operations:						
Net investment income ⁽²⁾	0.14	0.25	0.28	0.24	0.17	0.23
Net realized and unrealized gain/ (loss) on investments	(0.06)	2.94	2.11	(0.65)	0.68	2.96
Total from investment operations	<u>0.08</u>	<u>3.19</u>	<u>2.39</u>	<u>(0.41)</u>	<u>0.85</u>	<u>3.19</u>
Less distributions:						
Net investment income	(0.15)	(0.24)	(0.33)	(0.26)	(0.22)	(0.28)
Net realized gains	(1.13)	(0.31)	(0.64)	(0.91)	(0.57)	(0.39)
Net asset value, end of period	<u>\$ 18.07</u>	<u>\$ 19.27</u>	<u>\$ 16.63</u>	<u>\$ 15.21</u>	<u>\$ 16.79</u>	<u>\$ 16.73</u>
Total return ⁽³⁾	0.23% ⁽⁶⁾	19.30%	16.40%	(2.93)%	4.90%	23.20%
Supplemental data and ratios:						
Net assets, end of period (in 000's)	\$17,160	\$22,460	\$24,620	\$39,190	\$59,360	\$83,061
Ratio of expenses to average net assets ⁽⁴⁾	1.29% ⁽⁵⁾	1.29%	1.30%	1.31%	1.39%	1.39%
Ratio of net investment income to average net assets	1.52% ⁽⁵⁾	1.39%	1.81%	1.41%	0.96%	1.48%
Prior to Reimbursement:						
Ratio of expenses to average net assets ⁽⁴⁾	1.49% ⁽⁵⁾	1.49%	1.49%	1.46%	1.43%	1.48%
Ratio of net investment income to average net assets	1.32% ⁽⁵⁾	1.19%	1.62%	1.26%	0.92%	1.39%
Portfolio turnover rate	14.08% ⁽⁶⁾	22.22%	26.58%	26.59%	38.81%	27.19%
CLASS I ⁽¹⁾						
Net asset value, beginning of period	\$ 19.30	\$ 16.65	\$ 15.23	\$ 16.81	\$ 16.75	\$ 14.22
Income from investment operations:						
Net investment income ⁽²⁾	0.17	0.30	0.32	0.28	0.21	0.27
Net realized and unrealized gain/ (loss) on investments	(0.07)	2.95	2.11	(0.65)	0.69	2.97
Total from investment operations	<u>0.10</u>	<u>3.25</u>	<u>2.43</u>	<u>(0.37)</u>	<u>0.90</u>	<u>3.24</u>
Less distributions:						
Net investment income	(0.17)	(0.29)	(0.37)	(0.30)	(0.27)	(0.32)
Net realized gains	(1.13)	(0.31)	(0.64)	(0.91)	(0.57)	(0.39)
Net asset value, end of period	<u>\$ 18.10</u>	<u>\$ 19.30</u>	<u>\$ 16.65</u>	<u>\$ 15.23</u>	<u>\$ 16.81</u>	<u>\$ 16.75</u>
Total return ⁽³⁾	0.35% ⁽⁶⁾	19.64%	16.68%	(2.68)%	5.17%	23.53%
Supplemental data and ratios:						
Net assets, end of period (in 000's)	\$72,673	\$75,701	\$75,811	\$86,798	\$92,769	\$69,324
Ratio of expenses to average net assets ⁽⁴⁾	1.04% ⁽⁵⁾	1.04%	1.05%	1.06%	1.14%	1.14%
Ratio of net investment income to average net assets	1.77% ⁽⁵⁾	1.64%	2.06%	1.66%	1.21%	1.73%
Prior to Reimbursement:						
Ratio of expenses to average net assets ⁽⁴⁾	1.24% ⁽⁵⁾	1.24%	1.24%	1.21%	1.18%	1.23%
Ratio of net investment income to average net assets	1.57% ⁽⁵⁾	1.44%	1.87%	1.51%	1.17%	1.64%
Portfolio turnover rate	14.08% ⁽⁶⁾	22.22%	26.58%	26.59%	38.81%	27.19%

⁽¹⁾ Per share data is for a share outstanding throughout the period.

⁽²⁾ Net investment income per share has been calculated based on average shares outstanding during the period.

⁽³⁾ The total return calculation does not reflect the sales load imposed on the purchase of shares (see Note 7 of the Notes to the Financial Statements).

⁽⁴⁾ The ratio of expenses to average net assets includes interest expense and deferred compensation expense which was 0.00%, 0.00%, 0.01%, 0.00%, 0.00%, and 0.00%, respectively. (see Note 3 of the Notes to the Financial Statements).

⁽⁵⁾ Annualized.

⁽⁶⁾ Not Annualized.

The accompanying notes are an integral part of these financial statements.

KEELEY Small-Mid Cap Value Fund FINANCIAL HIGHLIGHTS

	Six Months Ended March 31, 2018 (Unaudited)	Year Ended September 30,				
		2017	2016	2015	2014	2013
CLASS A ⁽¹⁾						
Net asset value, beginning of period	\$ 14.92	\$ 13.48	\$ 12.57	\$ 15.22	\$ 16.21	\$ 12.12
Income from investment operations:						
Net investment income ⁽²⁾	0.01	0.07	0.02	0.01	0.04	0.08
Net realized and unrealized gain/ (loss) on investments	0.68	2.52	1.35	(1.05)	0.97	4.18
Total from investment operations	<u>0.69</u>	<u>2.59</u>	<u>1.37</u>	<u>(1.04)</u>	<u>1.01</u>	<u>4.26</u>
Less distributions:						
Net investment income	(0.08)	(0.02)	(0.02)	(0.03)	(0.02)	(0.03)
Net realized gains	(1.51)	(1.03)	(0.44)	(1.58)	(1.98)	(0.14)
Net asset value, end of period	<u>\$ 14.02</u>	<u>\$ 14.92</u>	<u>\$ 13.48</u>	<u>\$ 12.57</u>	<u>\$ 15.22</u>	<u>\$ 16.21</u>
Total return ⁽³⁾	4.71% ⁽⁶⁾	20.15%	11.28%	(7.42)%	5.88%	35.49%
Supplemental data and ratios:						
Net assets, end of period (in 000's)	\$33,671	\$43,501	\$ 45,570	\$ 86,689	\$110,862	\$106,054
Ratio of expenses to average net assets ⁽⁴⁾	1.39% ⁽⁵⁾	1.39%	1.40%	1.39%	1.39%	1.39%
Ratio of net investment income to average net assets	0.19% ⁽⁵⁾	0.47%	0.19%	0.04%	0.23%	0.58%
Prior to Reimbursement:						
Ratio of expenses to average net assets ⁽⁴⁾	1.47% ⁽⁵⁾	1.47%	1.47%	1.43%	1.42%	1.43%
Ratio of net investment income to average net assets	0.11% ⁽⁵⁾	0.39%	0.12%	0.00%	0.20%	0.54%
Portfolio turnover rate	10.21% ⁽⁶⁾	19.79%	36.78%	20.43%	43.10%	68.27%
CLASS I ⁽¹⁾						
Net asset value, beginning of period	\$ 15.20	\$ 13.72	\$ 12.80	\$ 15.46	\$ 16.43	\$ 12.25
Income from investment operations:						
Net investment income ⁽²⁾	0.03	0.10	0.06	0.04	0.08	0.12
Net realized and unrealized gain/ (loss) on investments	0.70	2.56	1.37	(1.06)	0.98	4.24
Total from investment operations	<u>0.73</u>	<u>2.66</u>	<u>1.43</u>	<u>(1.02)</u>	<u>1.06</u>	<u>4.36</u>
Less distributions:						
Net investment income	(0.10)	(0.05)	(0.07)	(0.06)	(0.05)	(0.04)
Net realized gains	(1.51)	(1.13)	(0.44)	(1.58)	(1.98)	(0.14)
Net asset value, end of period	<u>\$ 14.32</u>	<u>\$ 15.20</u>	<u>\$ 13.72</u>	<u>\$ 12.80</u>	<u>\$ 15.46</u>	<u>\$ 16.43</u>
Total return ⁽³⁾	4.90% ⁽⁶⁾	20.38%	11.59%	(7.18)%	6.11%	35.93%
Supplemental data and ratios:						
Net assets, end of period (in 000's)	\$88,941	\$91,586	\$104,638	\$142,888	\$186,039	\$144,647
Ratio of expenses to average net assets ⁽⁴⁾	1.14% ⁽⁵⁾	1.14%	1.15%	1.14%	1.14%	1.14%
Ratio of net investment income to average net assets	0.44% ⁽⁵⁾	0.72%	0.44%	0.29%	0.48%	0.83%
Prior to Reimbursement:						
Ratio of expenses to average net assets ⁽⁴⁾	1.22% ⁽⁵⁾	1.22%	1.22%	1.18%	1.17%	1.18%
Ratio of net investment income to average net assets	0.36% ⁽⁵⁾	0.64%	0.37%	0.25%	0.45%	0.79%
Portfolio turnover rate	10.21% ⁽⁶⁾	19.79%	36.78%	20.43%	43.10%	68.27%

⁽¹⁾ Per share data is for a share outstanding throughout the period.

⁽²⁾ Net investment income per share has been calculated based on average shares outstanding during the period.

⁽³⁾ The total return calculation does not reflect the sales load imposed on the purchase of shares (see Note 7 of the Notes to the Financial Statements).

⁽⁴⁾ The ratio of expenses to average net assets includes interest expense and deferred compensation expense which was 0.00%, 0.00%, 0.01%, 0.00%, 0.00%, and 0.00%, respectively. (see Note 3 of the Notes to the Financial Statements).

⁽⁵⁾ Annualized.

⁽⁶⁾ Not Annualized.

The accompanying notes are an integral part of these financial statements.

KEELEY Mid Cap Dividend Value Fund

FINANCIAL HIGHLIGHTS

	Six Months Ended March 31, 2018 (Unaudited)	Year Ended September 30,				
		2017	2016	2015	2014	2013
CLASS A ⁽¹⁾						
Net asset value, beginning of period	\$ 21.85	\$ 18.88	\$ 17.03	\$ 17.59	\$ 15.55	\$ 12.60
Income from investment operations:						
Net investment income ⁽²⁾	0.09	0.15	0.19	0.13	0.17	0.19
Net realized and unrealized gain/(loss) on investments	0.40	2.97	2.57	(0.17)	2.21	2.98
Total from investment operations	<u>0.49</u>	<u>3.12</u>	<u>2.76</u>	<u>(0.04)</u>	<u>2.38</u>	<u>3.17</u>
Less distributions:						
Net investment income	(0.10)	(0.15)	(0.16)	(0.14)	(0.19)	(0.22)
Net realized gains	—	—	(0.71)	(0.38)	(0.15)	—
Return of capital	—	—	(0.04)	—	—	—
Net asset value, end of period	<u>\$ 22.24</u>	<u>\$ 21.85</u>	<u>\$ 18.88</u>	<u>\$ 17.03</u>	<u>\$ 17.59</u>	<u>\$ 15.55</u>
Total return ⁽³⁾	2.23% ⁽⁶⁾	16.57%	16.90%	(0.33)%	15.37%	25.41%
Supplemental data and ratios:						
Net assets, end of period (in 000's)	\$ 19,467	\$19,273	\$20,661	\$11,105	\$11,243	\$ 9,327
Ratio of expenses to average net assets ⁽⁴⁾	1.29% ⁽⁵⁾	1.29%	1.29%	1.30%	1.39%	1.39%
Ratio of net investment income to average net assets	0.82% ⁽⁵⁾	0.76%	1.10%	0.70%	0.99%	1.31%
Prior to Reimbursement:						
Ratio of expenses to average net assets ⁽⁴⁾	1.46% ⁽⁵⁾	1.49%	1.52%	1.61%	1.59%	1.87%
Ratio of net investment income to average net assets	0.65% ⁽⁵⁾	0.56%	0.87%	0.39%	0.79%	0.83%
Portfolio turnover rate	8.63% ⁽⁶⁾	42.77%	49.27%	20.33%	13.32%	36.12%
CLASS I ⁽¹⁾						
Net asset value, beginning of period	\$ 21.84	\$ 18.87	\$ 17.03	\$ 17.59	\$ 15.55	\$ 12.60
Income from investment operations:						
Net investment income ⁽²⁾	0.12	0.21	0.24	0.18	0.21	0.23
Net realized and unrealized gain/(loss) on investments	0.40	2.96	2.56	(0.17)	2.21	2.98
Total from investment operations	<u>0.52</u>	<u>3.17</u>	<u>2.80</u>	<u>0.01</u>	<u>2.42</u>	<u>3.21</u>
Less distributions:						
Net investment income	(0.13)	(0.20)	(0.21)	(0.19)	(0.23)	(0.26)
Net realized gains	—	—	(0.71)	(0.38)	(0.15)	—
Return of capital	—	—	(0.04)	—	—	—
Net asset value, end of period	<u>\$ 22.23</u>	<u>\$ 21.84</u>	<u>\$ 18.87</u>	<u>\$ 17.03</u>	<u>\$ 17.59</u>	<u>\$ 15.55</u>
Total return ⁽³⁾	2.35% ⁽⁶⁾	16.86%	17.18%	(0.08)%	15.65%	25.71%
Supplemental data and ratios:						
Net assets, end of period (in 000's)	\$101,560	\$98,361	\$69,290	\$23,977	\$19,511	\$15,838
Ratio of expenses to average net assets ⁽⁴⁾	1.04% ⁽⁵⁾	1.04%	1.04%	1.05%	1.14%	1.14%
Ratio of net investment income to average net assets	1.07% ⁽⁵⁾	1.01%	1.35%	0.95%	1.24%	1.56%
Prior to Reimbursement:						
Ratio of expenses to average net assets ⁽⁴⁾	1.21% ⁽⁵⁾	1.24%	1.27%	1.36%	1.34%	1.62%
Ratio of net investment income to average net assets	0.90% ⁽⁵⁾	0.81%	1.12%	0.64%	1.04%	1.08%
Portfolio turnover rate	8.63% ⁽⁶⁾	42.77%	49.27%	20.33%	13.32%	36.12%

⁽¹⁾ Per share data is for a share outstanding throughout the period.

⁽²⁾ Net investment income per share has been calculated based on average shares outstanding during the period.

⁽³⁾ The total return calculation does not reflect the sales load imposed on the purchase of shares (see Note 7 of the Notes to the Financial Statements).

⁽⁴⁾ The ratio of expenses to average net assets includes interest expense and deferred compensation expense which was 0.00%, 0.00%, 0.00%, 0.00%, 0.00%, and 0.00%, respectively. (see Note 3 of the Notes to the Financial Statements).

⁽⁵⁾ Annualized.

⁽⁶⁾ Not Annualized.

The accompanying notes are an integral part of these financial statements.

KEELEY All Cap Value Fund FINANCIAL HIGHLIGHTS

	Six Months Ended March 31, 2018 (Unaudited)	Year Ended September 30,				
		2017	2016	2015	2014	2013
CLASS A ⁽¹⁾						
Net asset value, beginning of period	\$ 16.85	\$ 15.75	\$ 16.43	\$ 18.27	\$ 16.40	\$ 12.77
Income from investment operations:						
Net investment income/(loss) ⁽²⁾	(0.02)	0.01	0.02	0.11	0.02	0.05
Net realized and unrealized gain/(loss) on investments	0.76	1.86	1.76	(1.93)	1.87	3.62
Total from investment operations	<u>0.74</u>	<u>1.87</u>	<u>1.78</u>	<u>(1.82)</u>	<u>1.89</u>	<u>3.67</u>
Less distributions:						
Net investment income	—	(0.07)	(0.08)	(0.02)	(0.02)	(0.04)
Net realized gains	(0.66)	(0.70)	(2.38)	—	—	—
Net asset value, end of period	<u>\$ 16.93</u>	<u>\$ 16.85</u>	<u>\$ 15.75</u>	<u>\$ 16.43</u>	<u>\$ 18.27</u>	<u>\$ 16.40</u>
Total return ⁽³⁾	4.43% ⁽⁶⁾	12.08%	12.21%	(9.96)%	11.52%	28.79%
Supplemental data and ratios:						
Net assets, end of period (in 000's)	\$14,767	\$15,846	\$18,501	\$52,171	\$68,091	\$65,187
Ratio of expenses to average net assets ⁽⁴⁾	1.39% ⁽⁵⁾	1.40%	1.41%	1.39%	1.39%	1.39%
Ratio of net investment income/(loss) to average net assets	(0.18)% ⁽⁵⁾	0.08%	0.15%	0.60%	0.10%	0.34%
Prior to Reimbursement:						
Ratio of net investment income/(loss) to average net assets ⁽⁴⁾	1.53% ⁽⁵⁾	1.52%	1.52%	1.46%	1.43%	1.46%
Ratio of net investment income/(loss) to average net assets	(0.32)% ⁽⁵⁾	(0.04)%	0.04%	0.53%	0.06%	0.27%
Portfolio turnover rate	9.82% ⁽⁶⁾	84.20%	75.28%	55.91%	35.16%	46.16%
CLASS I ⁽¹⁾						
Net asset value, beginning of period	\$ 17.00	\$ 15.88	\$ 16.60	\$ 18.45	\$ 16.55	\$ 12.89
Income from investment operations:						
Net investment income ⁽²⁾	0.01	0.05	0.06	0.16	0.07	0.09
Net realized and unrealized gain/(loss) on investments	0.76	1.88	1.77	(1.94)	1.88	3.65
Total from investment operations	<u>0.77</u>	<u>1.93</u>	<u>1.83</u>	<u>(1.78)</u>	<u>1.95</u>	<u>3.74</u>
Less distributions:						
Net investment income	—	(0.11)	(0.17)	(0.07)	(0.05)	(0.08)
Net realized gains	(0.66)	(0.70)	(2.38)	—	—	—
Net asset value, end of period	<u>\$ 17.11</u>	<u>\$ 17.00</u>	<u>\$ 15.88</u>	<u>\$ 16.60</u>	<u>\$ 18.45</u>	<u>\$ 16.55</u>
Total return ⁽³⁾	4.57% ⁽⁶⁾	12.40%	12.45%	(9.70)%	11.78%	29.13%
Supplemental data and ratios:						
Net assets, end of period (in 000's)	\$40,873	\$42,280	\$44,647	\$46,708	\$58,867	\$46,754
Ratio of expenses to average net assets ⁽⁴⁾	1.14% ⁽⁵⁾	1.15%	1.16%	1.14%	1.14%	1.14%
Ratio of net investment income to average net assets	0.07% ⁽⁵⁾	0.33%	0.41%	0.85%	0.35%	0.59%
Prior to Reimbursement:						
Ratio of expenses to average net assets ⁽⁴⁾	1.28% ⁽⁵⁾	1.27%	1.27%	1.21%	1.18%	1.21%
Ratio of net investment income/(loss) to average net assets	(0.07)% ⁽⁵⁾	0.21%	0.30%	0.78%	0.31%	0.52%
Portfolio turnover rate	9.82% ⁽⁶⁾	84.20%	75.28%	55.91%	35.16%	46.16%

⁽¹⁾ Per share data is for a share outstanding throughout the period.

⁽²⁾ Net investment income/(loss) per share has been calculated based on average shares outstanding during the period.

⁽³⁾ The total return calculation does not reflect the sales load imposed on the purchase of shares (see Note 7 of the Notes to the Financial Statements).

⁽⁴⁾ The ratio of expenses to average net assets includes interest expense and deferred compensation expense which was 0.00%, 0.01%, 0.02%, 0.00%, 0.00%, and 0.00%, respectively. (see Note 3 of the Notes to the Financial Statements).

⁽⁵⁾ Annualized.

⁽⁶⁾ Not Annualized.

The accompanying notes are an integral part of these financial statements.

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KEELEY Funds, Inc.
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2018 (Unaudited)

1. ORGANIZATION

KEELEY Funds, Inc. (the "Corporation") was organized on April 7, 2005 as a Maryland corporation and is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a diversified, open-ended investment company. As of March 31, 2018 the Corporation consists of five series, KEELEY Small Cap Value Fund ("KSCVF"), KEELEY Small Cap Dividend Value Fund ("KSDVF"), KEELEY Small-Mid Cap Value Fund ("KSMVF"), KEELEY Mid Cap Dividend Value Fund ("KMDVF"), and KEELEY All Cap Value Fund ("KACVF") (each, a "Fund," and collectively, the "Funds"), each with two classes of shares: Class A and Class I. As noted in the Funds' prospectus, Class I is an institutional class and does not charge a sales load or a 12b-1 fee to its shareholders. The KEELEY Small Cap Value Fund, Inc., predecessor to KSCVF, commenced operations on October 1, 1993. As part of a plan of reorganization, on December 31, 2007, KEELEY Small Cap Value Fund, Inc. merged into KSCVF, a newly-created series within the Corporation. KSDVF, KSMVF, KMDVF and KACVF commenced operations on December 1, 2009, August 15, 2007, October 3, 2011 and June 14, 2006 respectively. One series of the Corporation, KEELEY Mid Cap Value Fund merged into KMDVF on January 27, 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Corporation in the preparation of its financial statements. These policies are in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The presentation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

a) Investment Valuation – Securities which are traded on a recognized stock exchange are valued at the last sale price each day on the securities exchange on which such securities are primarily traded or at the last sale price on a national securities exchange. Exchange-traded securities for which there were no transactions are valued at the current bid prices. Securities traded on only over-the-counter markets (1) are valued at the NASDAQ Official Closing Price ("NOCP"), as determined by NASDAQ, or (2) lacking an NOCP, the last current reported sale price as of the time of valuation on NASDAQ, or (3) lacking any current reported sales price as of the time of valuation on NASDAQ, at the mean between the most recent bid and asked quotations. Securities issued by a foreign issuer that are not traded on a securities exchange in the United States or in the over-the-counter market and quoted on

KEELEY Funds, Inc.
NOTES TO THE FINANCIAL STATEMENTS (Continued)
March 31, 2018 (Unaudited)

the NASDAQ National Market System are valued at the last quoted sale price as of the close of the regular trading hours of the principal exchange or the over-the-counter market on which the security is traded on the day valuation is made. Foreign securities that were not traded on the valuation date are valued at the last reported bid price. Debt securities and other fixed income securities (other than short-term obligations) held by the Funds are valued by an independent pricing service that uses various valuation methodologies such as matrix pricing and other analytical pricing models, as well as market transactions and dealer quotations. Short-term securities with remaining maturities of 61 days or more are valued at current market quotations as provided by an independent pricing service on the day of valuation. Securities maturing in 60 days or less and securities that are not eligible for vendor pricing (including repurchase agreements and demand notes) are valued at “amortized cost” on the day of valuation, which approximates fair value. Investments in open-end registered investment companies that do not trade on an exchange are valued at the end of day NAV per share.

Securities for which quotations are not readily available are valued by the Funds’ investment adviser, Keeley-Teton Advisors, LLC (the “Adviser”), at their respective fair values as determined in good faith pursuant to procedures adopted by the Corporation’s Board of Directors. For each investment that is fair valued, the Adviser takes into consideration, to the extent applicable, various factors, including, but not limited to, the financial condition of the company, comparable companies in the public market, the nature and duration of the cause for a quotation not being readily available and other relevant factors. Securities fair valued by the Adviser are indicated in the Schedules of Investments and are categorized as Level 2 or Level 3 of the fair value hierarchy depending on the observability of the inputs. KSCVF fair valued Media General, Inc. using methods approved by the Corporation’s Board of Directors as of March 31, 2018. No other securities were fair valued by the Funds as of March 31, 2018.

The Funds have performed an analysis of all existing investments to determine the significance and character of all inputs to their fair value determination. Various inputs are used in determining the value of each Fund’s investments. These inputs are summarized in the following three broad categories:

- Level 1 – Quoted unadjusted prices for identical instruments in active markets to which the Funds have access at the date of measurement.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. Level 2 inputs

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are those in markets for which there are few transactions, the prices are not current, little public information exists or instances where prices vary substantially over time or among brokered market makers.

- Level 3 – Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. Unobservable inputs are those inputs that reflect the Funds' own assumptions that market participants would use to price the asset or liability based on the best available information.

Keeley Small Cap Value Fund	Level 1	Level 2	Level 3	Total
Common Stocks*	\$691,314,576	\$ —	\$ 25,553**	\$691,340,129
Short Term Investments	10,061,480	—	—	10,061,480
Total Investments in Securities	<u>\$701,376,056</u>	<u>\$ —</u>	<u>\$ 25,553</u>	<u>\$701,401,609</u>

Keeley Small Cap Dividend Value Fund	Level 1	Level 2	Level 3	Total
Common Stocks*	\$ 86,668,695	\$ —	\$ —	\$ 86,668,695
Short Term Investments	3,430,598	—	—	3,430,598
Total Investments in Securities	<u>\$ 90,099,293</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 90,099,293</u>

Keeley Small-Mid Cap Value Fund	Level 1	Level 2	Level 3	Total
Common Stocks*	\$119,577,280	\$ —	\$ —	\$119,577,280
Short Term Investments	1,455,681	—	—	1,455,681
Total Investments in Securities	<u>\$121,032,961</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$121,032,961</u>

Keeley Mid Cap Dividend Value Fund	Level 1	Level 2	Level 3	Total
Common Stocks*	\$114,913,332	\$ —	\$ —	\$114,913,332
Short Term Investments	6,206,116	—	—	6,206,116
Total Investments in Securities	<u>\$121,119,448</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$121,119,448</u>

Keeley All Cap Value Fund	Level 1	Level 2	Level 3	Total
Common Stocks*	\$ 54,504,687	\$ —	\$ —	\$ 54,504,687
Short Term Investments	1,161,348	—	—	1,161,348
Total Investments in Securities	<u>\$ 55,666,035</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 55,666,035</u>

* See the Schedule of Investments for the investments detailed by industry classification.

** Media General, Inc. – Included in KSCVF's Media industry classification in Schedule of Investments.

Transfers between levels are identified at the end of the reporting period. There were no transfers between Levels 1, 2 and 3 at the end of the period March 31, 2018 for the Funds.

At the start and close of the reporting period, Level 3 investments in securities represented 0.00% of KSCVF's net assets and were not considered a significant portion of the fund's portfolio.

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b) Federal Income and Excise Taxes – It is the Funds’ policy to meet the requirements of Subtitle A, Chapter 1, Subchapter M of the Internal Revenue Code, as amended, applicable to regulated investment companies and to distribute all investment company net taxable income and net capital gains to shareholders in a manner which results in no tax cost to the Funds. Therefore, no federal income or excise tax provision is required.

There is no tax liability resulting from unrecognized tax benefits relating to uncertain tax positions taken or expected to be taken on the tax return for the fiscal year ended September 30, 2017, or for any other tax years which are open for exam. As of September 30, 2017, open tax years include the tax years ended 2014 through 2017. The Funds also are not aware of any tax position for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months. During the period, the Funds did not incur any tax interest or penalties. As of March 31, 2018, no examinations were in progress.

c) Distributions to Shareholders – Dividends from net investment income, if any, will be declared and paid annually for KSCVF, KSMVF and KACVF. Dividends from net investment income, if any, will be declared and paid quarterly for KSDVF and KMDVF. Distributions of net realized gains, if any, will be declared and paid at least annually for all Funds. Distributions to shareholders are recorded on the ex-dividend date. For 2017, KSCVF, KSDVF, KSMVF and KACVF utilized earnings and profits distributions to shareholders on redemption of shares as part of the dividends paid deduction for income tax purposes. A Fund may make reclassifications periodically among certain of its capital accounts as a result of the characterization of certain income and realized gains determined annually in accordance with federal tax regulations that may differ from U.S. GAAP. These reclassifications between capital accounts were made for only those differences that are permanent in nature such as net operating losses, non-deductible costs, equalization and dividend reclasses as follows:

<u>Fund</u>	<u>Undistributed Net Investment Income/(Loss)</u>	<u>Accumulated Net Realized Gain/(Loss)</u>	<u>Paid in Capital</u>
KSCVF	\$(52,544)	\$(19,145,475)	\$19,198,019
KSDVF	(60,150)	(827,572)	887,722
KSMVF	(13,717)	(1,334,846)	1,348,563
KMDVF	(1,280)	70,610	(69,330)
KACVF	—	(443,985)	443,985

d) Other – Investment transactions are recorded on trade date for financial reporting purposes. The Funds determine the gain or loss realized from investment transactions by comparing the identified original cost of the security lot sold with the net sale proceeds. Dividend income less foreign tax withheld, if

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any, is recognized on the ex-dividend date and interest income is recognized on an accrual basis, including amortization/accretion of premiums or discounts using the effective interest method. Non-cash dividends, if any, are recorded at the fair value of the securities received.

Net investment income, other than class specific expenses, and realized and unrealized gains and losses are allocated daily to each class of shares based upon the relative net asset value of outstanding shares of each class of shares at the beginning of the day (after adjusting for the current capital shares activity of the respective class).

Expenses common to all portfolios are allocated among the Funds based upon their relative net assets values or other appropriate allocation methods.

e) Guarantees and Indemnifications – In the normal course of business, the Corporation may enter into a contract with service providers that contains general indemnification clauses. The Corporation's maximum exposure under these arrangements is unknown as this would involve future claims against the Corporation that have not yet occurred. Based on experience, the Corporation expects the risk of loss to be remote.

3. INVESTMENT ADVISORY AGREEMENT

The Corporation, on behalf of each Fund, has entered into an investment advisory agreement (collectively, the "Agreement") with the Adviser, with whom certain officers & directors of the Corporation are affiliated, to furnish investment advisory services to that Fund. Under the terms of the Agreement, KSCVF paid the Adviser a monthly fee at the annual rate of 1.00% of the Fund's first \$1 billion of average daily net assets, 0.90% for net assets greater than \$1 billion but less than \$4 billion, 0.80% for net assets greater than \$4 billion but less than \$6 billion and 0.70% in excess of \$6 billion of the Fund's average daily net assets; and KSDVF, KMDVF, KSMVF and KACVF each paid the Adviser a monthly fee at the annual rate of 1.00% of the Fund's first \$350 million of average daily net assets, 0.90% for net assets greater than \$350 million but less than \$700 million and 0.80% in excess of \$700 million of the Fund's average daily net assets.

The Adviser has contractually agreed to waive a portion of its fees and/or reimburse expenses with respect to each Fund until February 28, 2019 (the "Expense Cap Agreement"), such that total expenses, exclusive of taxes, interest charges, dividend expenses incurred on securities that the Fund sells short, litigation expenses, other extraordinary expenses, deferred compensation expense, and brokerage commissions and other charges relating to the

KEELEY Funds, Inc.
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purchase and sale of the Fund's securities will not exceed the following amounts of average daily net assets of the respective Fund:

<u>Fund</u>	<u>Class A</u>	<u>Class I</u>
KSCVF	1.39%	1.14%
KSDVF	1.29%	1.04%
KSMVF	1.39%	1.14%
KMDVF	1.29%	1.04%
KACVF	1.39%	1.14%

Any reimbursements or fee waivers made by the Adviser to a Fund are subject to repayment by the Fund, to the extent that the Fund is able to make the repayment within its Expense Cap Agreement. However, the repayment of previously waived expenses is limited to amounts that do not cause the aggregate operating expenses of the Fund to exceed the current expense cap or the expense cap in place at the time the waiver was generated. The Adviser did not recoup any fees previously waived or reimbursed under the Expense Cap Agreement for the period from October 1, 2017 to March 31, 2018. The table below indicates the amount of fees available for recoupment by the Adviser in future periods:

<u>Fund</u>	<u>Recovery Expiring on:</u>		
	<u>9/30/18</u>	<u>9/30/19</u>	<u>9/30/20</u>
KSCVF	N/A	N/A	\$130,866
KSDVF	N/A	N/A	115,221
KSMVF	N/A	N/A	50,863
KMDVF	N/A	N/A	118,898
KACVF	N/A	N/A	43,969

4. DISTRIBUTION AND SHAREHOLDER SERVICING PLANS

The Corporation has adopted a Distribution Plan (the "Plan") pursuant to Rule 12b-1 under the 1940 Act for the Funds' Class A shares. The Plan is designed to finance or assist in the financing of any activity primarily intended to result in the sale of Class A shares by G.distributors, LLC (the "Distributor"), with whom certain officers and directors of the Corporation are affiliated, and to permit the Corporation to compensate the Distributor and other dealers of its shares. Each Fund paid the Distributor and each dealer a monthly fee at the annual rate of 0.25% of the average daily net assets of Fund shares beneficially owned by the Distributor's and each dealer's existing brokerage clients. The Plan can be continued in effect from year to year if such continuance is approved annually by the Board of Directors of the Corporation, including the vote of a majority of the Independent Directors.

For the period from October 1, 2017 to March 31, 2018, KSCVF – Class A expensed \$586,606 in distribution fees, of which \$13,062 was paid to the Distributor; KSDVF – Class A expensed \$22,869 in distribution fees, of which \$139 was paid to the Distributor; KSMVF – Class A expensed

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\$49,856 in distribution fees, of which \$1,251 was paid to the Distributor; KMDVF – Class A expensed \$24,871 in distribution fees, of which \$541 was paid to the Distributor; and KACVF – Class A expensed \$19,622 in distribution fees, of which \$211 was paid to the Distributor.

The Corporation has adopted a Shareholder Servicing Agreement for all of its Funds and their Classes. The Corporation has retained the Adviser to serve as the shareholder servicing agent for the Funds pursuant to the Shareholder Servicing Agreement. Under the Shareholder Servicing Agreement, the Corporation will pay the Adviser a monthly fee calculated at an annual rate of 0.05% of each Fund's average daily net assets for providing support services to investors who beneficially own shares of a Fund. The Shareholder Servicing Agreement may be continued in effect from year to year if such continuance is approved annually by the Board of Directors of the Corporation, including the vote of a majority of the Independent Directors. For the period from October 1, 2017 to March 31, 2018 the Adviser received \$194,404, \$23,938, \$32,773, \$30,709, and \$14,402 from KSCVF, KSDVF, KSMVF, KMDVF and KACVF, respectively.

5. INVESTMENT TRANSACTIONS

The aggregate cost of purchases and proceeds from sales of securities, excluding short-term investments, for the period from October 1, 2017 to March 31, 2018 were as follows:

<u>Fund</u>	<u>Investment Securities</u>	
	<u>Purchases</u>	<u>Sales</u>
KSCVF	103,853,651	222,214,995
KSDVF	12,905,356	19,721,525
KSMVF	13,044,950	29,664,554
KMDVF	10,178,634	11,527,470
KACVF	5,549,280	10,891,273

The Funds did not engage in any transactions in U.S. Government Securities during the period from October 1, 2017 to March 31, 2018.

6. FEDERAL INCOME TAX INFORMATION

At September 30, 2017, gross unrealized appreciation and depreciation of investments, based on cost for federal income tax purposes, were as follows:

	<u>KSCVF</u>	<u>KSDVF</u>	<u>KSMVF</u>	<u>KMDVF</u>	<u>KACVF</u>
Tax Cost of Investments	\$610,196,186	\$69,749,517	\$89,794,149	\$102,010,207	\$46,846,415
Gross Unrealized Appreciation	\$246,906,012	\$28,925,692	\$49,392,234	\$ 18,479,868	\$12,850,249
Gross Unrealized Depreciation	(24,720,703)	(1,457,098)	(3,998,201)	(3,681,568)	(1,513,236)
Net Unrealized Appreciation/ (Depreciation) on Investments	<u>\$222,185,309</u>	<u>\$27,468,594</u>	<u>\$45,394,033</u>	<u>\$ 14,798,300</u>	<u>\$11,337,013</u>

KEELEY Funds, Inc.
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The difference between cost amounts for financial statement and federal income tax purposes is due primarily to timing differences resulting from wash sale transactions during the year and due to the securities that were originally transferred in-kind for KSDVF.

At September 30, 2017, KSCVF, KSDVF, KSMVF, KMDVF and KACVF had net Post-October realized capital losses of \$0, \$0, \$0, \$0, and \$0 respectively, and late year ordinary losses of \$0, \$0, \$0, \$0, and \$76,296 respectively, from transactions between November 1, 2016 and September 30, 2017.

At September 30, 2017, the accumulated capital loss carryforwards for federal income tax purposes were:

<u>Fund</u>	<u>Capital losses expiring:</u>			
	<u>2018</u>	<u>2019</u>	<u>Indefinite ST</u>	<u>Indefinite LT</u>
KSCVF	—	—	—	—
KSDVF	—	—	—	—
KSMVF	—	—	—	—
KMDVF	—	—	—	—
KACVF	—	—	—	—

To the extent that a Fund may realize future net capital gains, those gains will be offset by any of their unused respective capital loss carryforwards. Under the Regulated Investment Company Modernization Act of 2010, capital losses incurred during fiscal years after 2010 are carried forward indefinitely and retain the character of the original loss. In addition, such losses must be utilized prior to the losses incurred in the years preceding enactment.

The tax character of distributions paid during the fiscal years ended September 30, 2017 and 2016 were as follows:

<u>Fund</u>	<u>Ordinary Income</u>		<u>Long-term Capital Gains</u>		<u>Return of Capital</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	KSCVF	\$5,662,429	\$1,204,971	\$51,100,164	\$186,064,651	\$ —
KSDVF	\$1,542,417	\$2,143,473	\$ 1,784,087	\$ 5,170,259	\$ —	—
KSMVF	\$ 632,879	\$ 883,288	\$11,102,358	\$ 7,252,099	\$ —	—
KMDVF	\$1,005,758	\$ 862,794	\$ —	\$ 1,454,214	\$ —	\$154,941
KACVF	\$ 557,051	\$ 907,514	\$ 2,584,796	\$ 13,328,719	\$ —	—

KEELEY Funds, Inc.
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As of September 30, 2017, the components of accumulated earnings on a tax basis were as follows:

	<u>KSCVF</u>	<u>KSDVF</u>	<u>KSMVF</u>	<u>KMDVF</u>	<u>KACVF</u>
Accumulated Capital and Other Gains/ (Losses)	\$ (187,697)	\$ (8,850)	\$ (17,598)	\$ (2,665)	\$ (84,084)
Undistributed Ordinary Income	2,048,893	16,967	3,255,724	15,271	623,911
Undistributed Long-Term Gain	73,407,216	5,277,754	9,212,510	—	1,557,356
Unrealized Appreciation/ (Depreciation) on Investments	<u>\$222,185,309</u>	<u>\$27,468,594</u>	<u>\$45,394,033</u>	<u>\$14,798,300</u>	<u>\$11,337,013</u>
Total Accumulated Gains/ (Losses)	<u>\$297,453,721</u>	<u>\$32,754,465</u>	<u>\$57,844,669</u>	<u>\$14,810,906</u>	<u>\$13,434,196</u>

7. OFFERING PRICE PER SHARE

The public offering price for Class A shares is the net asset value plus a sales charge, which varies in accordance with the amount of the purchase up to a maximum of 4.50%. The public offering price for Class I shares is the net asset value.

The Distributor retains the entire sales charge when it makes sales directly to the public. Otherwise, when sales are made through dealers, the Distributor receives a portion of the related sales charge. For the period from October 1, 2017 to March 31, 2018, the Distributor earned \$5,224, \$1,008, \$705, \$3,234, and \$826 of the sales charges on behalf of KSCVF, KSDVF, KSMVF, KMDVF and KACVF, respectively.

Sales charges are not an expense of the Funds and are not reflected in the financial statements of the Funds.

8. LINE OF CREDIT ARRANGEMENTS

The Corporation is a party to a \$110 million unsecured umbrella line of credit agreement with U.S. Bank, N.A., expiring February 25, 2019. The Funds may borrow up to the lesser of (a) \$110 million in aggregate or (b) 10% of the net assets of the borrowing Fund. Interest is charged on borrowings at the prevailing Prime Rate. The Funds have borrowed under this agreement from time to time to increase the efficiency of cash flow management. For the period from October 1, 2017 to March 31, 2018, KSCVF, KSDVF, KSMVF, KMDVF and KACVF had average daily borrowings of \$0, \$0, \$28,187, \$0, and \$1,956 respectively, with an average borrowing rate of 4.25%. For the period from October 1, 2017 to March 31, 2018, KSCVF, KSDVF, KSMVF, KMDVF and KACVF had a maximum daily borrowing of \$0, \$0, \$1,371,000, \$0, and \$178,000, respectively. The Funds had no outstanding borrowings at March 31, 2018.

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9. OWNERSHIP BY AFFILIATED PARTIES

As of March 31, 2018, affiliates of the Funds beneficially owned shares of the following Funds as set forth below:

	<u>KSCVF</u>	<u>KSDVF</u>	<u>KSMVF</u>	<u>KMDVF</u>	<u>KACVF</u>
	<u>CLASS I</u>	<u>CLASS I</u>	<u>CLASS I</u>	<u>CLASS I</u>	<u>CLASS I</u>
Shares	617,738	1,876,148	1,470,346	1,665,694	1,766,722
Percent of total outstanding shares	7.01%	46.72%	23.67%	36.47%	73.96%

10. DEFERRED COMPENSATION PLAN

A deferred compensation plan (the "Plan") is available to the Independent Directors on a voluntary basis. Deferred amounts remain in the Funds until distributed in accordance with the provisions of the Plan. The value of a participating Director's deferral account is based on the theoretical investments of deferred amounts, on the normal payment dates, in all the Funds available from the Corporation as designated by the participating Directors. Changes in the value of participants' deferral accounts are allocated pro rata among all Funds based on average net assets and are included in Directors' fees on the Statement of Operations. The portions of the accrued obligations allocated to the Funds under the Plan are included in other accrued expenses on the Statement of Assets and Liabilities.

11. SUBSEQUENT EVENTS

On May 15, 2018, the Corporation's Board of Directors approved: a plan of reorganization whereby KACVF will be reorganized into KSMVF (the "Reorganization") and KACVF will be subsequently liquidated and dissolved, effective on or about July 27, 2018.

The Reorganization, which is expected to be tax free to the shareholders of KACVF and which is subject to a number of closing conditions, will entail the transfer of all of the assets and liabilities of KACVF to KSMVF in exchange for shares of KSMVF, as appropriate. Shareholders of KACVF will then receive shares of KSMVF equivalent in aggregate net asset value to the aggregate net asset value of their shares in KACVF at the time of the Reorganization. KACVF will then be liquidated and dissolved. The Reorganization is expected to occur on or about July 27, 2018. In accordance with the applicable regulatory requirements, the Reorganization only needs to be approved by the Board; consequently, shareholders of each Fund will not be asked to approve the Reorganization. Additional information regarding this Reorganization will be provided to current and prospective shareholders in a supplement to the Funds' prospectus.

PRIVACY STATEMENT

Protecting your personal information is an important priority for us. The Funds' privacy policy is designed to support this objective. We collect nonpublic personal information about you from the following sources:

- Information we receive from you on applications or on other forms; correspondence or conversations, such as your name, address, social security number, assets, income and date of birth.
- Information about your transactions with us, our affiliates or others, such as your account numbers and balances, transaction history, parties to transactions, cost basis information and other financial information.

The Funds restrict access to your nonpublic information by maintaining physical, electronic and procedural safeguards.

The Funds do not disclose any nonpublic information about their current or former consumers or customers to nonaffiliated third parties, except as permitted by law.

G. distributors, LLC is the Distributor and Keeley-Teton Advisors, LLC is the Investment Adviser for the Keeley Funds. We may share your nonpublic information with affiliates who require such information to provide products or services to you. You may request that we not share your nonpublic information with our affiliates for use by them in marketing products or services to you by calling us toll-free at 1-888-933-5391. We will honor your choice until you tell us otherwise. If you have a joint account, your instruction will be applied to all account holders on that account.

Proxy Voting Policies and Procedure

You may obtain a description of KEELEY Funds' proxy voting policies and procedures that the Funds use to determine how to vote proxies related to portfolio securities, without charge, upon request by calling 888-933-5391. This information also is included in KEELEY Funds' statement of additional information ("SAI"), which is available on the Funds' website at www.keeleyfunds.com and the Securities and Exchange Commission's website at www.sec.gov.

Information relating to how each KEELEY Fund voted proxies relating to portfolio securities held during the 12-month period ended June 30, 2017 is available on the Funds' website at www.keeleyfunds.com and the Securities and Exchange Commission's website at www.sec.gov.

Information About Portfolio Securities

The Corporation filed a complete schedule of portfolio holdings with the Securities and Exchange Commission for the quarters ending December 31, 2017 and June 30, 2017 (the first and third quarters of the Funds' fiscal year) on Form N-Q. The Corporation's Forms N-Q are available on the Securities and Exchange Commission's website at www.sec.gov. You also may review and copy those documents by visiting the Securities and Exchange Commission's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling the Securities and Exchange Commission at 800.SEC.0330.

Household Delivery of Shareholder Documents

To reduce expenses, the Funds may mail only one copy of the Funds' prospectus, SAI and each annual and semi-annual report to those addresses shared by two or more accounts. If you wish to receive individual copies of these documents, please call the Funds at 888-933-5391 or contact your financial institution. You will begin receiving individual copies thirty days after receiving your request.

Electronic Delivery of Shareholder Documents

You may choose to receive the KEELEY Funds' prospectus and annual and semi-annual reports electronically. To sign up for electronic delivery, visit www.icsdelivery.com and select the first letter of your brokerage firm's name. Then, select your brokerage institution from the list that follows, fill out the appropriate information and provide an e-mail address where you would like your information sent. If your brokerage firm is not listed, electronic delivery may not be available. Please contact your brokerage firm or financial adviser.

Investment Adviser



KEELEY
Teton Advisors

KEELEY-TETON ADVISORS, LLC
Chicago, Illinois

Distributor
G. DISTRIBUTORS, LLC
Rye, New York
800-422-2274

Custodian
U.S. BANK, N.A.
Milwaukee, Wisconsin
888-933-5391

Transfer Agent and Dividend Disbursing Agent
U.S. BANCORP FUND SERVICES, LLC
Milwaukee, Wisconsin
888-933-5391

Independent Registered Public Accounting Firm
PRICEWATERHOUSECOOPERS LLP
Chicago, Illinois

Counsel
Paul Hastings LLP
New York, New York

Performance information quoted represents past performance and does not guarantee future results. The investment return and principal value of shares will fluctuate so that an investor's shares, when redeemed, may be worth more or less than its original cost. This material may only be used when preceded or accompanied by each Fund's prospectus.

111 West Jackson Boulevard • Suite 810 • Chicago • Illinois • 60604
(312) 786-5050 • (800) 533-5344 • FAX (312) 786-5003



KEELEY
Funds

www.keeleyfunds.com

