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**Keeley Asset Management Corp. Announces Launch of  
KEELEY Alternative Value Fund**

**Chicago, IL (April 15, 2010)** – Keeley Asset Management Corporation (“KAMCO”) announced today the national launch of the KEELEY Alternative Value Fund (the “Fund”). The Fund is a newly created series of Keeley Funds, Inc. and offers the flexibility of two distinct share classes, Class A (KALVX) and Class I (KALIX).

The Fund will be managed using an alternative strategy, combining the research experience of Keeley Asset Management with the active risk management techniques of the Fund’s sub-advisor, Broadmark Asset Management LLC (“Broadmark”). The Fund will seek to provide incremental downside market protection through Broadmark’s tactical hedging process. The new fund will complement the firm’s flagship product, the KEELEY Small Cap Value Fund (KSCVX), as well as the KEELEY Mid Cap Value Fund (KMCVX), KEELEY Small-Mid Cap Value (KSMVX), KEELEY All Cap Value Fund (KACVX), and the recently launched KEELEY Small Cap Dividend Value Fund (KSDVX).

“We believe the KEELEY Alternative Value Fund will be a natural complement to our current fund line-up, which currently focuses solely on long-only equity strategies. Through conversations with many of our clients, we recognize that there is a need for products that offer risk-adjusted returns in all types of market environments. We believe our expertise on the long-only side of equities coupled with Broadmark’s skill involving quantitative risk management will provide clients with the ability to participate in the upside of the market while limiting the potential downside,” said Mark Keeley, Chief Marketing Officer of KAMCO.

John L. Keeley Jr. will serve as portfolio manager for the long-only equity exposure of the Fund, which will be constructed similar to the successful KEELEY Small-Mid Cap Value Fund (KSMVX). Christopher J. Guptil of Broadmark will serve as portfolio manager of the tactical risk management segment of the strategy.

“The decision to offer the strategy in a mutual fund vehicle was relatively easy since we have managed the approach over the past three years in a Limited Partnership (L.P.) with an established record. Now, both our current and potential investors will receive greater transparency and a more attractive fee arrangement in a mutual fund format,” said John L. Keeley Jr., President and CIO of KAMCO.

The KEELEY Alternative Value Fund’s investment objective is to achieve long-term capital appreciation, as well as to protect capital during adverse market conditions. For the equity investments, the Fund intends to pursue its investment objective by investing in companies with small and mid-size market capitalizations, which we currently define as \$7.5 billion or less. The Advisor will focus the equity investments primarily on individual stocks undergoing corporate restructuring including: corporate spin-offs, companies emerging from bankruptcy, companies selling at or below actual or perceived book value, savings and loan and insurance conversions and distressed utilities. Broadmark will assess overall stock market risk by monitoring such factors as monetary policy, valuation analysis, investor sentiment and momentum. When

Broadmark perceives the Fund's equity market risk to be high and opportunity low, it will reduce the Fund's net exposure to equities based by selling, among other things, futures and option combos, and may effect short sales of individual securities and/or ETFs and ETNs or take long positions in inverse ETFs. Broadmark can hedge up to 100% of the Fund's long equity exposure.

**The annual operating expense ratio of the KEELEY Alternative Value Fund Class A share is capped at 1.89% until April 1, 2011** and includes a 0.25% annual 12b-1 fee and a 1.60% investment advisory fee on the balance of average daily net assets. The minimum initial investment is \$2,500 for both non-retirement and IRA accounts. The minimum subsequent investment is \$50 for all account types.

**The annual operating expense ratio of the KEELEY Alternative Value Fund's Class I share is capped at 1.64% until April 1, 2011** and includes a 1.60% investment adviser fee on the balance of average daily net assets. The minimum initial investment is \$1,000,000 with a subsequent investment minimum of \$10,000. Registered investment advisors may purchase Class I (institutional) shares on behalf of their clients with less than \$1 million per account, if the total investment of all investing client accounts is \$1 million or more. Other institutional investors, such as defined contribution plans, may also qualify for purchasing institutional shares with less than \$1 million per account, subject to certain specified conditions.

The fund is administered by US Bancorp Fund Services, LLC and is distributed by Keeley Investment Corp., a member of FINRA and SIPC.

#### **About Keeley Asset Management Corporation**

KAMCO, founded in 1982 by John L. Keeley, Jr. is a privately owned Chicago-based asset management firm with over \$6 billion under management. Today, we serve a diverse client base that includes the institutional community, individual and family trusts as well as the **KEELEY funds**, an open-ended publicly traded mutual fund family.

#### **About Broadmark Asset Management**

Broadmark Asset Management is an investment advisor that focuses on tactical risk management techniques in the equity markets. The investment management process is research-driven and employs a qualitative top-down approach combined with quantitative risk control. Broadmark was founded in 1999, and has been a registered investment adviser since 2000 with offices in New York and San Francisco.

To learn more about KEELEY Alternative Value Fund, please contact Jim Stamper, Vice President, at 312.786.5059 or [info@keeleyfunds.com](mailto:info@keeleyfunds.com).

*Investing in companies emerging from bankruptcy presents special risks, since these companies often are subject to specific plans imposed by their lenders that they must meet in a fairly short time frame. In addition, such companies must overcome the negative perceptions resulting from a previous bankruptcy. Generally, companies going through corporate restructuring are more likely than others to remain undervalued. Investing in small and mid-cap securities presents more risk than investing in large-cap or more established company securities. Small and mid-cap companies often have more limited resources and greater variation in operating results, leading to greater price volatility. Trading volumes may be lower, making such securities less liquid.*

*Because of its hedging strategy, the Fund is subject to the increased risks associated with investments in put and call options, in futures, in derivatives and, in general, in synthetic instruments. Also, the Fund is subject to risks associated with short sales, investments in ETFs and ETNs and, in general, liquidity risks.*

**Past performance does not guarantee future results. Investing in small and mid-cap stocks is more risky and more volatile than investing in large cap stocks.** Investors should consider carefully the investment objectives, risks, management fees, and charges and expenses before investing. **For a current prospectus which contains this and other information, call 888-933-5391 or visit [www.keeleyfunds.com](http://www.keeleyfunds.com). Please read the prospectus carefully before investing or sending money.** © December 2009, Keeley Investment Corp., 401 S. LaSalle Street, Suite 1201, Chicago, IL 60605