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Keeley Asset Management Corp. Announces Launch of KEELEY Mid Cap Dividend Value Fund

Chicago, IL (October 5th, 2011) – Keeley Asset Management Corporation (KAMCO) announced today the national launch of the KEELEY Mid Cap Dividend 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 (KMDVX) and Class I (KMDIX).

The Fund will be managed using a distinct, value-driven investment style focusing on mid-cap companies that pay dividends. The approach and investment process will complement the firm’s highly successful KEELEY Small Cap Dividend Value Fund, launched in December of 2009. Additionally, the focus on dividend-paying companies provides a strong balance to our 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 KEELEY Alternative Value Fund (KALVX). All of these portfolios are managed under the firm’s time-tested corporate restructuring approach.

“We have been very pleased with the success of the KEELEY Small Cap Dividend Value Fund, and our investment team is confident they will be able to replicate the same success in the mid-cap space. Additionally, in today’s volatile investment environment, a company’s ability to consistently pay a dividend says a lot about their financial health and stability,” says John L. Keeley Jr., the firm’s Founder and Chief Investment Officer.

Thomas Browne, Jr., CFA, will serve as portfolio manager to the Fund. “In my many years of equity research and portfolio management, I recognized a number of important characteristics in dividend paying companies that made many of them attractive investments. Today’s market environment has reinforced my belief in the dividend and what it says about a management team and their relationship with shareholders. The payment of dividends is essentially a public exclamation of a company’s quality and provides management with a unique form of capital discipline. Lastly, dividend paying stocks have historically performed well in difficult market environments. A critical element in my investment process is to attempt to provide downside market protection,” says Browne.

Mr. Browne will be assisted by Brian Leonard, who has 10 years of investment experience and is also an Assistant Portfolio Manager on the Small Cap Dividend Value Fund.

The annual operating expense ratio of the KEELEY Mid Cap Dividend Value Fund's Class A share is capped at 1.39%¹ until October 1st, 2012 and includes a 0.25% annual 12b-1 fee and a 1.00% 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 Mid Cap Dividend Value Fund's Class I share is capped at 1.14%¹ until October 1st, 2012 and includes a 1.00% 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)

KAMCO, founded in 1982 by John L. Keeley, Jr, is a privately owned Chicago-based asset management firm with over \$4.5 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.

To learn more about KEELEY Mid Cap Dividend Value Fund, please contact Jim Stamper, Vice President, at 312.786.5059 or info@keeleyfunds.com.

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. Please read the prospectus carefully before investing or sending money.*** © October 2011, Keeley Investment Corp., 401 S. LaSalle Street, Suite 1201, Chicago, IL 60605

¹ *The gross expense ratio for the Class A shares is 2.15%, while the gross expense ratio for the Class I shares is 1.90%. These expenses are based on estimated amounts for the current fiscal year. The Fund's Adviser, Keeley Asset Management Corp., has contractually agreed to waive a portion of its fee or reimburse the Fund to the extent that total operating expenses during the current fiscal year exceed 1.39% for the Class A shares and 1.14% for the Class I shares. The waiver for the Mid Cap Dividend Value Fund is in effect through October 1, 2012.*