Small Cap Opportunities

Fourth Quarter 2021 Commentary

Past performance does not guarantee future results. The performance data quoted represents past performance and current returns may be lower or higher. The investment return and principal will fluctuate so that an investor's portfolio, when liquidated, may be worth less than the original cost/balance. As with any investment, there is a potential risk of loss. Smaller and medium-sized company stocks are more volatile and less liquid than larger, more established company securities.

Performance

For the quarter ended December 31, 2021, the Small Cap Opportunities Strategy rose 4.35% gross return (4.16% net of fees) compared to a 4.36% return for the Russell 2000 Value Index and a 2.14% return for the Russell 2000 Index. For the full year 2021, the Strategy returned 26.42% gross (25.43% net) versus 28.27% and 14.82% for the respective indices.

Macroeconomic Review

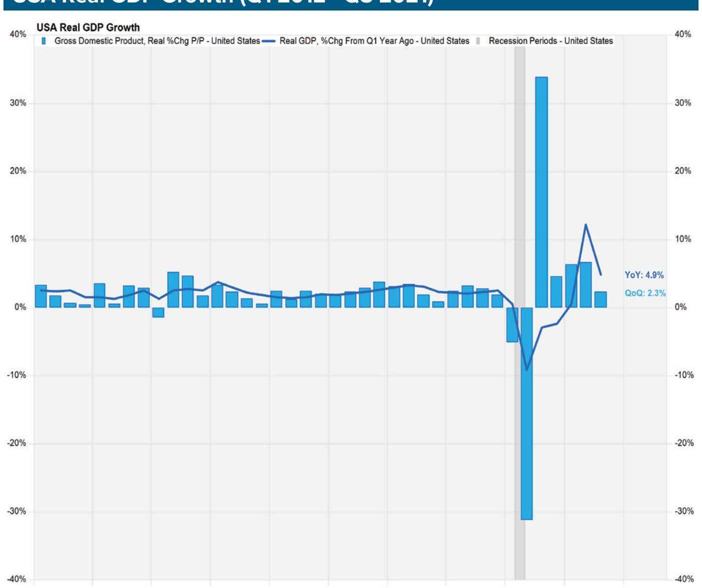
During the fourth quarter, the Russell 2000 Value Index rose 4.36%, the Russell 2000 Index rose 2.14%, and the S&P 500 Index rose 11.03%. For all of 2021, the Russell 2000 Value Index has generated a 28.28% return, the Russell 2000 Index a 14.82% return, and the S&P 500 Index an 28.70% return.

Market Performance

As of December 31, 2021	3 Months	1-Year	3-Year
S&P 500 Index	11.0%	28.7%	26.1%
Russell 3000 Value Index	7.5%	25.4%	17.6%
Russell 3000 Index	9.3%	25.7%	25.8%
Russell 2500 Value Index	6.4%	27.8%	18.3%
Russell Midcap Value Index	8.5%	28.3%	19.6%
Russell 2000 Index	2.1%	14.8%	20.0%
Russell 2000 Value Index	4.4%	28.3%	18.0%
Bloomberg Barclays Agg. Bond Index	0.0%	-1.5%	4.8%

Source: eVestment.

USA Real GDP Growth (Q1 2012 - Q3 2021)



Source: U.S. Bureau of Economic Analysis, Factset. Grey represents recession periods.

Despite the sharp gyrations in the equity markets over the emergence of yet another coronavirus variant, Omicron, and the Federal Reserve's more hawkish monetary policy, small cap stocks ended the year with strong gains. Small caps benefit most from the tailwind of a strong domestic economy which is driving both revenue growth and margin expansion. Small caps, moreover, are cheaper relative to large caps, by the widest margin in 35 years, according to Bank of America. Along with improving fundamentals and reasonable valuations, there is also currently a global wave of mergers and acquisitions that is sweeping across the small cap landscape.

Inflation reached a four decade

high in November. The Labor Department reported that the consumer price index rose 6.8% in November, the fastest pace since 1982 and the sixth month in a row in which inflation topped 5 percent. What's more, U.S. producer prices rose in November by .8 percent from the prior month, and 9.6 percent from a year earlier.

Whether transitory or permanent, inflation concerns drove Fed officials to shift to an earlier end of their asset buying program and signal they are raising interest rates in 2022 at a faster pace than economists were expecting. The Fed announced it will double the pace of scaling back purchases of Treasuries and mortgage-back securities to $30 billion a month. The faster pullback puts the Fed in a position to raise rates earlier than expected to counter price pressures. The statement showed officials expect three quarter point increases in the federal funds rate next year.

Global supply chain constraints, raw material price increases and massive fiscal spending have all contributed to the surge in inflation, forcing the Fed to accelerate the wind-down of its stimulus efforts. Inflation concerns drove the yield on the 10-Year U.S. Treasury Bond to 1.51% at the end of the year, up from 0.92% a year ago. Despite the rise, interest rates remain at historically low levels, with negative real rates adjusted for inflation. The domestic economy appears vibrant across most sectors, despite ongoing supply chain issues and semiconductor shortages. According to a consensus of economists, U.S. Gross Domestic Product (GDP) is expected to grow in 2022 by 3 to 4 percent with corporate earnings growth ranging from 5% to 10%, paced by small caps at the upper end of the range. Inflation is expected to moderate in tandem with improved supply chain logistics. Overall, the macro backdrop appears favorable for equities, notwithstanding an exogenous shock.

We believe the strong price gains posted by small cap value stocks during 2021 reflect healthy underlying trends. Gains were driven more by earnings growth than P/E multiple expansion. In fact, despite the 26.21% return generated by the Strategy in 2021, its holdings are trading at P/E multiples similar to where they started the year.

We are also encouraged that some of the speculative excesses that have been a notable feature of the stock market over the past few years appear to be correcting. An index of speculative stocks (cloud, biotech, cleantech, SPACs, IPOs, Russell 2000 Growth Index) constructed by Raymond James has underperformed the broader market by around 35% for the year. During 2021, the Russell 2000 Growth Index, about half of whose constituents lose money, underperformed the Russell 2000 Value Index by 2544 basis points, the widest spread since the year 2000. In a record year for IPO issuance, two-thirds of the companies that went public were trading below their IPO prices at year end.

Portfolio Results

The solid stock gains posted in the fourth quarter and full year 2021 reflect stronger than expected economic and corporate earnings growth. the Strategy modestly underperformed the Russell 2000 Value Index and outperformed the Russell 2000 Index during the fourth quarter and year to date. Adverse stock selection among the Strategy's insurance stocks was the primary reason for its underperformance relative to the Russell 2000 Value Index. The strong relative performance of small cap value stocks vs. small cap growth stocks is the primary reason for the Strategy's outperformance relative to the Russell 2000 Index.

As patient investors, we focus on the intermediate to long term outlook for the Strategy. However, we

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believe current market environment is quite timely for our investment style. The recent rise in long term interest rates has dampened enthusiasm for stocks with little or no revenues or earnings that are trading at extremely high valuations. This in turn has refocused investors' attention to less speculative areas of the market. Trading at a modest 13x 2021 earnings and with a robust 13% median estimated EPS growth rate for 2022, the Strategy is well positioned to take advantage of this shift of investor focus back to valuations and fundamentals.

The industrials sector contributed most to the Strategy's absolute return in the fourth quarter and all of 2021, due to its heavy weight in the Strategy and solid price performance. Several industrial stocks were among the biggest contributors to the Strategy's returns during the quarter. Builders First Source, Inc., (BLDR) a building products distributor, is expected to have increased its earnings nearly fourfold in 2021, benefiting from a strong housing market, market share gains, an improving mix towards higher value-added products, cost efficiencies and strong commodity prices. EnPro Industries, Inc. (NPO), an industrial conglomerate, is seeing the benefits of the steps it has taken to transform its business Strategy towards higher-margin industrial technology-related businesses.

The consumer staples sector detracted most from the Strategy's absolute return for the fourth quarter and was the only sector to generate a loss for the full year. TreeHouse Foods, Inc., a producer of private label food and beverages, declined as supply chain issues and food cost inflation negatively impacted its earnings outlook. The stock was sold as we lost confidence in management's ability to meaningfully improve operations.

During the fourth quarter, the Strategy benefitted from sector allocation relative to both benchmarks. Of note were underweights in the poor performing health care, communication services and energy sectors, and an overweight in the strong performing industrials sector. Year to date, sector allocation was negative relative to the Russell 2000 Value Index, due most notably to an underweight in the strong performing energy sector. Sector allocation was positive year to date relative to the Russell 2000 Index, due primarily to an underweight in the poor performing health care sector.

The relatively lower exposure to poor performing health care stocks contributed most to the Strategy's performance on a sector basis relative to its benchmarks for both the fourth quarter and full year.

The financials sector was the largest detractor to the Strategy's relative performance for both the fourth quarter and full year. Within that sector, insurance stocks negatively impacted results. James River Group Holdings, Ltd (JRVR), a property and casualty insurer, declined as the company announced a significant increase to prior period reserves. Kemper Corporation (KMPR), a multi-line insurance company, announced disappointing results in its personal automobile insurance business due to increasing claims frequency and severity. We believe James River is in a good position to improve its results over the near term, and we continue to hold the stock. We believe Kemper's issues will take longer to resolve, and the stock was sold.

During the fourth quarter ACCO Brands Corporation (ACCO), a producer of consumer, school, technology and office products was added to the Strategy. ACCO has transformed its business, leading to a positive inflection point for sales growth. That, combined with the numerous margin expansion opportunities, is expected to lead to solid earnings growth. Despite the improved outlook, ACCO sells at an extremely low multiple of current earnings.

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Also added during the quarter was Triumph Group, Inc. (TGI), a provider of aerospace systems and components. Triumph has refocused on its most profitable businesses by selling or transferring its underperforming operations. Management has aggressively repriced contracts and is positioned to benefit as the commercial aerospace industry rebounds from its current depressed levels.

Several stocks that met their price targets were sold during the quarter. These include SPX Corporation, Ferro Corporation, and Gibraltar Industries.

Outlook

We are encouraged by the outlook for the Strategy. As previously mentioned, the consensus among economists is for GDP growth of 3 to 4% in 2022. That level of economic activity is typically conducive to strong earnings growth for small cap stocks. The stocks in the Strategy, which on the whole tend to be more economically sensitive than the small cap stock indexes, generally grow their earnings at an even faster rate. In fact, the median expected 2022 EPS growth for the stocks in the Strategy is 13%. We believe the biggest risks to these forecasts are unforeseen developments related to Covid and continued supply chain disruptions.

The holdings in the Strategy are currently trading at approximately 13x 2021E EPS. At these valuation levels, if earnings growth meets or exceeds our expectations, we would expect stock prices to react favorably. If however, earnings fall short of estimates, their low current valuations should provide downside protection, which we believe makes the risk/reward for the Strategy attractive.

In conclusion, thank you for your investment in the Small Cap Opportunities Strategy. We will continue to work hard to justify your confidence and trust.

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Fourth Quarter Contributors and Detractors

Fourth Quarter Contributors		
Top Contributors	Total Return (%)	Contribution to Return (%)
Builders FirstSource, Inc.	65.66	1.11
Silicon Motion Technology Corporation	38.75	0.55
EnPro Industries, Inc.	26.68	0.50
Hillenbrand, Inc.	22.44	0.49
Beacon Roofing Supply, Inc.	20.08	0.41

Fourth Quarter Detractors		
Largest Detractors	Total Return (%)	Contribution to Return (%)
James River Group Holdings Ltd	-22.72	-0.55
Unisys Corporation	-18.18	-0.32
CIRCOR International, Inc.	-17.66	-0.31
ManpowerGroup Inc.	-8.85	-0.22
ACCO Brands Corporation	-6.92	-0.21

Source: Factset

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Past performance is no guarantee of future results. As with all investments, there is a risk of loss. Any performance and/or attribution information contained herein are based on a representative account of the specific strategy discussed.

As of March 1, 2021 the Composite was renamed Keeley Teton Small Cap Opportunities. Performance shown prior to March 1, 2021 represents results achieved by the Skyline Small Cap Value Composite and its portfolio management team while they were part of Skyline Asset Management, L.P. The Small Cap portfolio management team joined Keeley Teton on March 1, 2021. This investment strategy was originally developed by three portfolio managers from Skyline Asset Management, L.P. This prior performance was represented by linked, asset-weighted monthly returns, trade-date valuation, beginning-of-the-month market values, and accrual-based accounting. Gross of fees returns were calculated gross of investment management and custodial fees and net of transaction costs. Net of fees returns were calculated net of actual investment management fees and transaction costs and gross of custodial fees. Prior to 1/1/06, net of fees returns were calculated by reducing monthly gross performance by 1/12th of the asset-weighted annual management fee. Returns also reflect transaction costs which were paid by the portfolios. The institutional advisory fee was 0.80%. Skyline Asset Management, L.P. claimed compliance with the Global Investment Performance Standards (GIPS ®) and was independently verified for the periods 9/1/1995 – 12/31/2020. Inception date of the strategy is September 1, 1995.

Market Performance presented solely for informational purposes. The S&P 500 Index is designed to act as a barometer for the overall U.S. stock market and consists of 500 stocks that are chosen on the basis of market size, liquidity, and industry grouping. The S&P 500 is a market value weighted index with each stock's weight in the index proportionate to its market value.

The Russell 2000® Value Index is an unmanaged index that measures the performance of the small-cap value segment of the U.S. equity universe and includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

The Russell 2000® Index is an unmanaged index that measures the performance of the smallest 2,000 companies by market capitalization of the Russell 3000® Index.

The Russell 2500® Value Index is an unmanaged index that measures the performance of the small to mid-cap value segment of the U.S. equity universe and includes those Russell 2500 companies with lower price-to-book ratios and lower forecasted growth values.

The Russell 2500® Index is an unmanaged index that measures the performance of the 2500 smallest companies by market capitalization of the Russell 3000® Index.

The Russell Midcap® Value Index is an unmanaged index that measures the performance of the mid-cap value segment of the U.S. equity universe and includes those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values.

The Russell Midcap® Index is an unmanaged index that measures the performance of the 800 smallest companies by market capitalization of the Russell 1000® Index.

The Russell 1000® Index is an unmanaged index that measures the performance of the 1,000 largest companies by market capitalization of the Russell 3000® Index.

The Russell 3000® Value Index is an unmanaged index that measures the performance of the broad value segment of the U.S. equity universe and includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values.

The Russell 3000® Index is an unmanaged index that measures the performance of the 3,000 largest U.S. companies by market capitalization.

The Barclays U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. A direct investment into any of these indices is not possible.

The opinions expressed in this document are those of Keeley Teton Advisors, LLC as of the date indicated and are subject to change without notice and are not intended as recommendations of individual securities.The net performance numbers shown are for informational purposes only. Management fees are negotiable and a table of standard fees is contained in the Firm's Form ADV Part 2A, which is available at no cost at www.keeleyteton.com.

Keeley Teton Advisors, LLC is the registered investment adviser to this strategy and is a wholly owned subsidiary of Teton Advisors, Inc.