

Small Cap Value

As of September 30, 2018

Objective

Long-term capital appreciation through investments in small capitalization companies that we believe are undervalued.

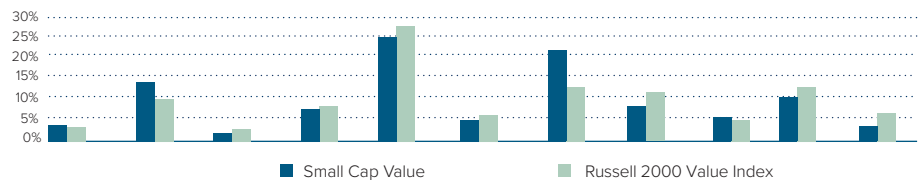
Philosophy

In the broadest sense of the term, companies undergoing major change are often characterized as “restructuring” situations. These events include emergence from bankruptcy, mergers and acquisitions, and full-scale corporate reorganizations, such as spinning off or divesting a division. In our experience, there are often extremely complex stories behind the moving parts, making information on the companies involved difficult to synthesize in a timely manner. As a result, many investors choose to avoid these stocks altogether—leading to temporary mispricing.

Investment Highlights

The strategy focuses on investing in companies moving through complex change to unlock hidden value. Our investment team seeks to identify events that create short-term market inefficiencies while serving as catalysts for long-term appreciation, with an emphasis on restructuring at the corporate and industry levels.

Relative Sector Weights											
	Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities
Small Cap Value	3.43%	13.58%	1.83%	6.86%	24.84%	4.44%	20.27%	7.41%	5.04%	9.22%	3.10%
Russell 2000 Value	3.03%	9.51%	2.53%	7.51%	28.19%	5.02%	12.06%	10.26%	4.43%	11.49%	5.97%



Strategy Characteristics

	Small Cap Value	Russell 2000 Value Index
Number of holdings	59	1,386
Cash Exposure	2.99%	—
Weighted Avg. Market Cap	\$3.3 Bil	\$2.1 Bil
Median Market Cap	\$2.9 Bil	\$810 Mil
Price/Earnings*	12.2x	14.9x
P/E Forecast (FY1)	16.4x	15.1x
Price/Book*	1.8x	1.5x
Price/Cash Flow*	10.9x	8.4x
Price/Sales*	1.5x	0.9x
Alpha**	-2.01%	—
Beta***	0.90	1.00
Risk (Standard Deviation)****	12.52%	13.51%

* Last 12 Months, Weighted harmonic average.

** Alpha is a measure of performance on a risk-adjusted basis. Number shown reflects the trailing five year alpha.

*** Beta is the current measure of a portfolio's risk in relation to the market or a benchmark. Number shown reflects the trailing five year beta.

**** Standard deviation is a statistical measurement of historical volatility and can be used to gauge the amount of expected volatility. Number shown reflects the trailing five year standard deviation.

Top Ten Equity Holdings

Security Name	Weight
Air Lease Corporation Class A	3.5%
Nexstar Media Group, Inc. Class A	3.4%
John Bean Technologies Corporation	3.0%
BOK Financial Corporation	2.8%
Opus Bank	2.7%
ITT, Inc.	2.7%
KBR, Inc.	2.7%
Bank of N.T. Butterfield & Son Limited (The)	2.6%
Kennedy-Wilson Holdings, Inc.	2.3%
Sabra Health Care REIT, Inc.	2.3%
Total	28.0%

The sector weights, characteristics, and top ten holdings shown are based on the model portfolio as of the date indicated.

Strategy Inception: January 10, 1995

Portfolio Construction

- 50 - 70 stocks
- Market caplization: Generally <\$3.5 billion at purchase
- Maximum sector weight: 40% / 3x benchmark
- Initial position size: 1%
- Maximum position size: 5%

Small Cap Value

Investment Process

Our investment team applies a fundamental, bottom up stock selection process. Most of our research is internal, focusing on companies in unique and transformative situations that Wall Street has not identified and capitalized upon. Potential investments generally fall under four major themes:

Ownership Changes

- Spin-Offs
- Divestitures
- De-Mutualizations

Operating Changes

- New Management
- Cost-Cutting
- M&A

Balance Sheet / Capital Restructurings

- Bankruptcy Emergence
- Refinancing
- Shift to "Capital Lite"/ Franchise Model
- Capital Reallocation

Marketplace Shifts

- Regulatory Changes
- Industry Consolidation

We believe our focus on change and restructuring gives us a competitive advantage by enabling us to identify inefficiencies in the marketplace before other investors

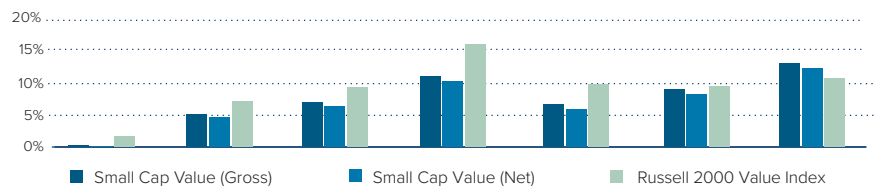
Keeley Teton Advisors, LLC is the registered investment adviser to this strategy and is a wholly owned subsidiary of Teton Advisors, Inc.

Keeley Teton Advisors, LLC
111 West Jackson, Suite 810
Chicago, IL 60604
Telephone: (312) 786-5050
Email: Inst@keeleyteton.com

www.keeleyteton.com | 312.786.5050

Performance as of September 30, 2018 (Composite)

	Average Annualized						
	Quarter	YTD	1-Year	3-Years	5-Years	10-Years	Since Inception
Small Cap Value (Gross)	0.25%	5.17%	6.97%	11.14%	6.76%	9.15%	13.15%
Small Cap Value (Net)	0.10%	4.72%	6.35%	10.27%	5.91%	8.32%	12.47%
Russell 2000 Value Index	1.60%	7.14%	9.33%	16.12%	9.91%	9.52%	10.76%



Calendar Year Performance (Composite)

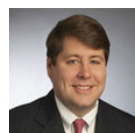
Calendar Year (recent 10 years)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Small Cap Value (Gross)	-42.80%	31.73%	25.70%	-3.93%	27.26%	37.97%	1.83%	-7.57%	20.78%	6.35%
Small Cap Value (Net)	-43.24%	30.73%	24.80%	-4.64%	26.42%	37.02%	1.00%	-8.36%	19.70%	5.52%
Russell 2000 Value Index	-28.92%	20.58%	24.50%	-5.50%	18.05%	34.52%	4.22%	-7.47%	31.74%	7.84%

Composite performance inception date: January 10, 1995.

Portfolio Management Team



Kevin M. Chin
CIO, Portfolio Manager
31 years experience



Brian R. Keeley, CFA
Portfolio Manager
24 years experience

Smaller and medium-sized company stocks are more volatile and less liquid than larger, more established company securities.

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 redeemed, may be worth more or less than the original cost.

Portfolio holdings will change, and should not be considered purchase recommendations. Top holdings and sector weights do not reflect cash, money markets or options/futures contracts holdings. The Russell 2000 Value Index 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. Since inception benchmark returns are from 7/10/95.

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Portfolio holdings may not match the securities in the indexes and portfolio performance will differ. Direct investment in an index is not possible. Data presented herein was obtained from FactSet and eVestment.

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.