

HEARTLAND SEPARATELY MANAGED ACCOUNTS

CORE PLUS STRATEGY

All information, unless otherwise indicated, is as of 3/31/12

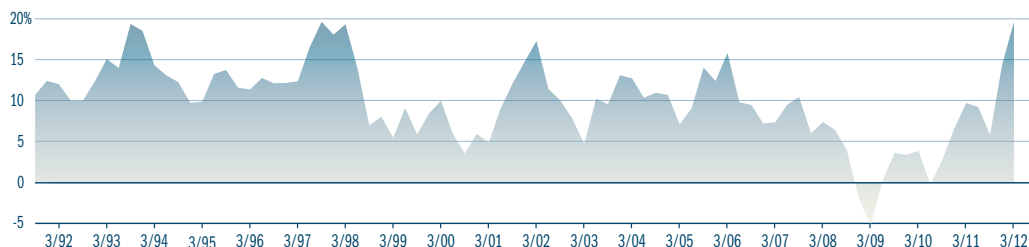
A portfolio designed to preserve principal while providing income and capital appreciation



PORTFOLIO MANAGEMENT TEAM AND INDUSTRY EXPERIENCE

Ted Baszler, CPA, CFA - 21 yrs
Kerry Laurin, CPA, CFA - 12
Colin McWey - 9
David Fondrie, CPA - 17

RESULTS THAT HAVE VALIDATED THE STRATEGY[†]



Rolling Three Year Returns Since Inception, 7/1/88 (Net of Advisory Fees)[†]

INVESTMENT STRATEGY

The Core Plus Strategy is a diversified portfolio of dividend paying stocks of all market capitalizations blended with high quality fixed income securities. It seeks to manage downside risk while providing capital appreciation.

INVESTMENT PROCESS

The Strategy utilizes Heartland's 10 Principles of Value Investing™ to identify companies with strong financial profiles and low prices relative to earnings, cash flows and book values. This process is driven by our disciplined and rigorous research efforts, based on more than 1,000 annual meetings with management teams. The approach provides both a potential margin of safety to limit downside risk and the opportunity for capital appreciation.

The fixed income investment criteria focuses on mature companies with strong business franchises and significant barriers to entry. We favor businesses whose operations are not capital intensive and avoid rapidly changing industries with high risk of obsolescence. The team seeks companies with manageable debt levels, a conservative business model focused on organic growth and sustainability of cash flow throughout economic cycles.

PORTFOLIO CONSTRUCTION

- Equity
- Individual stocks usually represent less than 5% of the portfolio
 - Industry weightings typically represent less than 25% of the portfolio
 - Generally fully invested but may hold cash equivalents during atypical markets

Fixed Income

- Focused on investment grade bonds
- Safety and stability are the primary directives
- Active sector rotation to adjust for changing credit conditions

RISK MANAGEMENT

- Consistent discipline of Heartland's 10 Principles of Value Investing™
- Potential safety margin: Focus on low price-to-book value and strong balance sheets
- Liquidity analysis: Disciplined review of quantitative and qualitative factors, both at portfolio and individual position levels
- Analytical tools: Drawdown, upside/downside, risk/return, correlation, attribution, contribution
- Team approach and extensive collaboration

NEW ACCOUNT MINIMUM: \$500,000

HISTORICAL RETURNS (Annualized for Multi-Year Periods) — NET OF FEES VS BENCHMARK INDICES

	SINCE INCEPTION (7-1-88)	TEN YEARS	FIVE YEARS	THREE YEARS	ONE YEAR	FIRST QUARTER 2012
Heartland Core Plus Composite (Net of Advisory Fees) [†]	9.72%	7.43%	5.84%	19.63%	1.94%	8.81%
Heartland Core Plus Composite (Net of Bundled Fees) [*]	8.10	5.84	4.27	17.88	0.43	8.40
Blended Index ^{**}	8.56	6.22	2.56	18.52	4.63	7.34
S&P 500 Index	9.54	4.12	2.01	23.42	8.54	12.59

Heartland Advisors, Inc. has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

^{*}See Note 6 in Accompanying Notes on reverse side. ^{**}See Note 7 in Accompanying Notes on reverse side.

PORTFOLIO CHARACTERISTICS (Equity Securities Only)[†]

	CORE PLUS COMPOSITE	BLENDED INDEX	S&P 500 INDEX
Price/Earnings ¹	13.3x	16.3x	16.9x
Price/Book ²	1.3	1.8	2.9
Price/Cash Flow ²	7.9	7.8	10.6
Long Term Debt/Capital	40.77%	36.35%	33.97%
Average Weighted Market Cap	\$28.2 bil	\$72.8 bil	\$111.6 bil
Median Market Cap	\$6.5 bil	\$887.7 mil	\$12.7 bil

CFA is a registered trademark owned by the CFA Institute.

Past performance does not guarantee future results. Current performance may differ due to market volatility. Portfolio holdings are subject to change.

Three-Year Rolling Return is the compound annual growth rate for a series of 3-year periods as of the dates provided. It can be useful when examining returns over specific holding periods. S&P 500 is supplemental information and not an index of the strategy. S&P 500 Index is an index of 500 U.S. stocks chosen for market size, liquidity and industry group representation and is a widely used U.S. equity benchmark. All indices mentioned are unmanaged. It is not possible to invest directly in an index.

There is no assurance that dividend-paying stocks mitigate volatility.

The Core Plus Strategy was previously known as the Balanced Strategy, see Note 3 in Accompanying Notes on reverse side.

Data Source: FactSet Research Systems, Inc., Heartland Advisors, Inc. and Standard & Poor's. ¹Trailing 12-month actual earnings. ²Weighted median.

[†]Shown as supplemental information. See important notes on reverse side.

CORE PLUS COMPOSITE

AS OF DECEMBER 31	NUMBER OF ACCOUNTS	MARKET VALUE \$ MILLIONS	TOTAL FIRM ASSETS \$ MILLIONS	% OF FIRM ASSETS	% OF ASSETS IN WRAP ACCOUNTS	ASSET-WEIGHTED DISPERSION	ANNUAL PORTFOLIO TURNOVER % ¹	3-YEAR STANDARD DEVIATION
2011	77	\$127.0	\$4,864.3	2.61%	21.86%	2.15%	45.7%	13.25%
2010	66	118.6	4,636.1	2.56	20.53	2.17	46.9	N/A
2009	52	90.3	3,156.1	2.86	21.80	6.67	44.9	N/A
2008	41	55.9	2,296.9	2.43	26.60	5.12	37.9	N/A
2007	52	79.9	2,880.9	2.77	25.67	3.85	50.3	N/A
2006	40	79.1	3,193.7	2.48	26.68	2.26	39.9	N/A
2005	36	69.1	2,521.5	2.74	27.89	3.51	31.4	N/A
2004	34	103.2	3,026.2	3.41	17.57	3.28	62.3	N/A
2003	33	66.7	3,072.4	2.17	23.67	12.27	37.4	N/A
2002	32	52.9	1,385.0	3.82	N/A	2.89	38.9	N/A

TOTAL RETURNS AS OF MARCH 31, 2012 – NET OF FEES

ANNUALIZED RETURNS YEAR	CORE PLUS COMPOSITE (net of advisory fees)	CORE PLUS COMPOSITE (net of bundled fees)**	BLENDED INDEX**
Inception*	9.72%	8.10%	8.56%
Ten	7.43	5.84	6.22
Five	5.84	4.27	2.56
Three	19.63	17.88	18.52
One	1.94	0.43	4.63

CUMULATIVE RETURNS YEAR	CORE PLUS COMPOSITE (net of advisory fees)	CORE PLUS COMPOSITE (net of bundled fees)**	BLENDED INDEX**
Inception*	805.72%	535.64%	602.74%
Ten	104.72	76.35	82.91
Five	32.84	23.26	13.49
Three	71.20	63.81	66.48
One	1.94	0.43	4.63

ANNUAL RETURNS YEAR	CORE PLUS COMPOSITE (net of advisory fees)	CORE PLUS COMPOSITE (net of bundled fees)**	BLENDED INDEX**
2011	-0.80%	-2.26%	1.70%
2010	15.32	13.60	15.89
2009	30.60	28.74	15.47
2008	-19.64	-20.88	-20.61
2007	5.11	3.54	-0.76
2006	11.63	9.99	15.99
2005	1.48	-0.03	4.80
2004	8.86	7.26	14.01
2003	28.61	26.73	25.68
2002	-3.02	-4.45	-7.56

*7-1-88

**See Note 6 in Accompanying Notes

***See Note 7 in Accompanying Notes

¹Excludes Treasury bills, cash, and cash equivalents

Data Source: FactSet Research Systems, Inc. and Heartland Advisors, Inc.

In addition to stocks of large companies and fixed income, the Core Plus Strategy invests in stocks of small- and mid-cap companies that are generally less liquid than large companies. The performance of these holdings generally will increase the volatility of the strategy's returns. Value investments are subject to the risk that their intrinsic values may not be recognized by the broad market. There is no assurance this strategy will mitigate volatility.

Price/Earnings Ratio of a stock is calculated by dividing the current price of the stock by its trailing 12 months' earnings per share. **Price/Cash Flow Ratio** represents the amount an investor is willing to pay for a dollar generated from a particular company's operations. It shows the ability of a business to generate cash and acts as a gauge of liquidity and solvency. **Price/Book Value Ratio** is calculated by dividing the market price of its stock by the company's per-share book value. **Long Term Debt/Capital Ratio** represents the portfolio's long-term debt as a proportion of the capital available in the form of long-term debt, preferred stock and common stockholder's equity.

ACCOMPANYING NOTES

- Heartland Advisors, Inc. (the "Firm") is a wholly owned subsidiary of Heartland Holdings, Inc. The Firm is registered with the Securities and Exchange Commission.
- The effective date of firm compliance is January 1, 1993.
- The Firm claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. The Firm has been independently verified from October 1, 1988 through December 31, 2010. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Core Plus composite has been examined for the periods July 1, 1988 through December 31, 2010. The verification and performance examination reports are available upon request. Periods after December 31, 2010 have not yet been examined.
- The composite was created in 1993 and contains fully discretionary accounts that seek to generate long-term capital appreciation and current income while limiting downside risk, by focusing on securities of financially sound companies of all sizes, investment grade fixed income securities and the allocation between them. The minimum account size for this composite is \$500,000. Portfolios in the composite that later drop below the composite minimum due to market volatility are only removed when their market value falls below \$375,000. On March 15, 2011, the composite's name was changed from the Balanced Strategy to more fully depict its investment objective.
- The investment management fee schedule for the composite is as follows: 0.75% per annum on the first \$10,000,000; and 0.50% per annum on the next \$15,000,000. Fees on accounts over \$25,000,000 are negotiable. Actual investment advisory fees incurred by clients may vary. Further information on the Firm's fees can be found in Part II of its Form ADV. Wrap accounts are included in this composite. In addition to the management fee, wrap accounts also pay all-inclusive fee based on a percentage of assets under management. In lieu of brokerage commissions, this fee includes portfolio monitoring, consulting services and in some cases, custodial services.
- The US dollar is the currency used to express performance. Results are based on fully discretionary accounts under management, including those accounts no longer with the Firm. Returns are presented net of advisory fees and net of bundled fees and include the reinvestment of all income. Returns net of bundled fees reported are presented net of all fees and transaction costs incurred, include the investment of all income, and are based on the maximum all-inclusive wrap fee paid by any of the accounts included in the composite. The returns net of bundled fees were calculated by subtracting the highest applicable sponsor portion of the separately managed wrap account fee from the net of advisory fees return. As of March 31, 2012 the highest applicable sponsor portion of the separately managed account wrap fee was 1.50%, which may differ significantly from fees in other wrap accounts included in this composite.
- For comparison purposes, the composite is measured against the blended index created by the Firm using a 32% weighting of the Russell 1000 Value Index, a 33% weighting of the Russell 2000 Value Index and a 35% weighting of the Barclay's Capital Government/Credit Bond Index since March 1, 2002. Prior to March 1, 2002, a 65% weighting of the Russell 2000 Index and a 35% weighting of the Barclay's Capital Government/Credit Bond Index was used. The benchmark was changed in connection with enhancements made to the respective investment policy statements. The blended benchmark is calculated on a monthly basis. The Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The Barclay's Capital Government/Credit Bond Index consists of U.S. Treasuries and corporate investment grade securities that have remaining maturities of more than one year. The Barclay's Capital Indices were formerly known as Lehman Brothers Indices. The index performance was taken from published sources and is not covered by the report of independent accountants. All indices are unmanaged. It is not possible to invest directly in an index.
- Client portfolios included in the composite are managed by multiple portfolio managers whose investment management styles may differ. In addition, some client portfolios may be managed more or less conservatively, subject to individual client restrictions. As of result, performance differences between client portfolios in the same composite may occur. The annual composite dispersion is an asset-weighted standard deviation calculated for the accounts in the composite the entire year.
- The Firm maintains a complete list and description of the Firm's composites and additional information regarding the policies for calculating and reporting of returns, which is available upon request. Contact Institutional Sales at Heartland Advisors, Inc., 789 N. Water Street, Milwaukee, WI 53202 or call 888-505-5180.



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