

HEARTLAND SEPARATELY MANAGED ACCOUNTS

MID CAP VALUE STRATEGY

All information, unless otherwise indicated, is as of 6/30/10


PORTFOLIO MANAGEMENT TEAM & INDUSTRY EXPERIENCE

Ted Baszler, CPA, CFA - 11 yrs

Will Nasgovitz - 9

Hugh Denison - 24

David Fondrie, CPA - 15

*Seeks long-term capital appreciation
by investing in mid-cap companies*

HISTORICAL RETURNS (ANNUALIZED FOR MULTI-YEAR PERIODS) — NET OF FEES VS. BENCHMARK INDICES

	SINCE INCEPTION (9/30/96)	TEN YEARS	FIVE YEARS	THREE YEARS	ONE YEAR	YEAR-TO DATE	SECOND QUARTER 2010
Heartland Mid Cap Value Composite (Net of Advisory Fees) [†]	11.06%	14.21	8.80%	-1.25%	26.16%	0.31%	-8.55%
Russell Midcap Value Index [†]	8.71	7.55	0.71	-9.44	28.91	-0.88	-9.57

Heartland Advisors, Inc. has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). *Source: FactSet Research Systems, Inc. See Note 7 in the Accompanying Notes on reverse side.

INVESTMENT PHILOSOPHY

The Mid Cap Value Strategy has the objective of long-term capital appreciation by investing in companies with market capitalizations between \$1 and \$10 billion. Mid-cap companies have historically outperformed larger firms, yet were less volatile than their smaller counterparts. They generally have established business strategies, greater financial flexibility and proven operating histories.

This focused portfolio seeks companies with strong underlying business franchises that have temporarily fallen out of favor.

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 800 annual meetings with management teams. The approach provides both a potential margin of safety to limit downside risk and the opportunity for capital appreciation.

PORTFOLIO CONSTRUCTION

- 40-60 stocks
- Individual stocks generally represent less than 5% of portfolio
- Industry weightings typically represent less than 25% of the portfolio
- Generally fully invested but may hold cash equivalents during atypical markets
- Long-term investment horizon

RISK MANAGEMENT

- Consistent discipline of Heartland's 10 Principles of Value Investing™
- Potential safety margin: Focus on low price-to-earnings 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

Our sell decisions may be driven by factors such as:

- Valuation targets achieved
- Change in investment thesis
- Deteriorating financial position
- Meeting fewer criteria of our 10 Principles of Value Investing™

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.

[†]Source: FactSet Research Systems, Inc. ²Trailing 12-month actual earnings. ³Weighted median.

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

PORTFOLIO CHARACTERISTICS (Equity Securities Only)[†]

	MID CAP VALUE COMPOSITE	RUSSELL MIDCAP VALUE INDEX [†]
Lt Debt/Capital	26.1%	41.8%
P/E ²	15.3x	18.3x
P/CF	6.9	7.5
P/B ³	1.3	1.6
Avg Wgt Mkt Cap	\$3,116 mil	\$6,614 mil
Median Mkt Cap	\$2,523 mil	\$3,525 mil

SECTOR WEIGHTINGS (Equity Securities Only)[†]

	MID CAP VALUE COMPOSITE	RUSSELL MIDCAP VALUE INDEX [†]
Consumer Discretionary	5.5%	13.5%
Consumer Staples	5.7	6.5
Energy	15.4	8.8
Financials	21.5	28.8
Health Care	13.2	4.1
Industrials	13.6	10.7
Information Technology	13.3	6.5
Materials	3.7	8.0
Telecommunication Services	0.0	2.5
Utilities	8.1	10.6
Total	100.0%	100.0%

Industry and sector classifications for each security held in the Composite are generally determined by referencing the Global Industry Classification Standard Codes (GICS) developed by Standard & Poor's and Morgan Stanley Capital International.

TOP TEN LARGEST HOLDINGS (Equity Securities Only)[†]

COMPANY	% COMPOSITE	INDUSTRY
First Niagara Financial Group, Inc.	3.5%	Thriffs & Mortgage Finance
Cimarex Energy Co.	2.5	Oil, Gas & Consumable Fuels
AVX Corp.	2.4	Electronic Equipment & Instruments
SM Energy Co.	2.4	Oil, Gas & Consumable Fuels
InterDigital, Inc.	2.3	Communications Equipment
Endo Pharmaceuticals Holdings, Inc.	2.3	Pharmaceuticals
Brown & Brown, Inc.	2.2	Insurance
ADTRAN, Inc.	2.2	Communications Equipment
Enco International, Inc.	2.2	Energy Equipment & Services
STERIS Corp.	2.2	Health Care Equipment & Supplies

NEW ACCOUNT MINIMUM: \$1,000,000

MID CAP VALUE COMPOSITE DECEMBER 31	NUMBER OF ACCOUNTS	MARKET VALUE \$ MILLIONS	% OF FIRM ASSETS	TOTAL FIRM ASSETS \$ MILLIONS	ANNUAL PORTFOLIO TURNOVER % ¹
2009	1	4.2	0.13	\$3,156.1	72.9%
2008	1	3.2	0.13	2,296.9	61.3
2007	1	4.3	0.15	2,880.9	60.3
2006	1	8.6	0.27	3,193.7	62.9
2005	1	8.0	0.31	2,521.5	47.4
2004	1	6.7	0.22	3,026.2	80.6
2003	1	5.2	0.17	3,072.4	36.5
2002	1	3.6	0.26	1,385.0	29.4
2001	1	4.1	0.25	1,624.1	37.0
2000	1	2.6	0.15	1,701.7	43.6

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

TOTAL RETURNS AS OF JUNE 30, 2010 • NET OF FEES

ANNUALIZED RETURNS YEAR	MID CAP VALUE COMPOSITE (net of advisory fees)	RUSSELL MIDCAP VALUE INDEX**	S&P MIDCAP 400 INDEX**2
Inception*	11.06%	8.71%	9.55%
Ten	14.21	7.55	5.31
Five	8.80	0.71	2.22
Three	-1.25	-9.44	-5.89
One	26.16	28.91	24.94

CUMULATIVE RETURNS YEAR	MID CAP VALUE COMPOSITE (net of advisory fees)	RUSSELL MIDCAP VALUE INDEX**	S&P MIDCAP 400 INDEX**2
Inception*	322.93%	215.17%	250.41%
Ten	277.56	107.15	67.76
Five	52.48	3.60	11.60
Three	-3.69	-25.73	-16.65
One	26.16	28.91	24.94

ANNUAL RETURNS YEAR	MID CAP VALUE COMPOSITE (net of advisory fees)	RUSSELL MIDCAP VALUE INDEX**	S&P MIDCAP 400 INDEX**2
2009	35.14%	34.21%	37.39%
2008	-22.18	-38.44	-36.22
2007	5.14	-1.42	7.98
2006	24.10	20.22	10.32
2005	18.41	12.65	12.56
2004	28.27	23.70	16.50
2003	43.81	38.07	35.64
2002	-14.19	-9.64	-14.53
2001	18.98	2.33	-0.61
2000	25.20	19.18	17.51

*9-30-96

**See Note 7 in Accompanying Notes

¹Excludes Treasury bills, cash, and cash equivalents

²Source: Standard & Poor's.

Value-based investments are subject to the risk that the broad market may not recognize their intrinsic value.

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.
- For the period from January 1, 2006 through March 31, 2009 verifications were performed by Ashland Partners & Company LLP. For the period January 1, 1993 through December 31, 2005, verifications were performed by other independent accountants. Periods after March 31, 2009 have not been examined.
- This composite was created in 1993 and consists of fully discretionary equity portfolios primarily invested in companies with market capitalizations between \$1 and \$10 billion. The minimum account size for this composite is \$500,000. Accounts that fall below the minimum due to depreciation are only removed from the composite when their balance falls below \$375,000.
- The investment management fee schedule for the composite is as follows: 0.75% per annum on the first \$10,000,000; 0.60% per annum on the next \$15,000,000 and 0.50% on the next \$25,000,000. Fees on accounts over \$50,000,000 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.
- 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 include the reinvestment of all income.
- For comparison purposes, the composite is measured against the Russell Midcap Value Index since June 30, 2010. The benchmark was changed in conjunction with enhancements made to the respective investment policy statements. Prior to this date the composite was measured against the S&P MidCap 400 Index. The Russell Midcap Value Index measures the performance of the midcap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values. The S&P MidCap 400 Index is a group of 400 domestic stocks chosen for their market size, liquidity and industry group representation. All indices are unmanaged. It is not possible to invest directly in an index. The index performance was taken from published sources and is not covered by the report of independent accountants.
- A complete list and description of the Firm's composites and additional information regarding the policies for calculating and reporting returns are available upon request. Contact Institutional Sales at Heartland Advisors, Inc., 789 N. Water Street, Suite 500, Milwaukee, WI 53202 or call 888-505-5180.