

COMMENTARY

HEARTLAND
SELECT VALUE FUND

4th Quarter • December 31, 2009

PORTFOLIO
MANAGEMENT TEAMTed Baszler, CFA, CPA
Will Nasgovitz
Hugh Denison
David Fondrie, CPASeeks long-term capital appreciation without
market capitalization constraints

HEARTLAND SELECT VALUE FUND

	Investor Class	Institutional Class
Ticker	HRSVX	HNSVX
CUSIP	422352807	422352856

QUARTERLY RETURNS
(9/30/09 - 12/31/09)

Investor Class	Institutional Class	Russell 3000 Value Index	S&P 500 Index
6.46%	6.51%	4.17%	6.04%

SECTOR WEIGHTS
(% OF EQUITY INVESTMENTS)

	Fund	R3V	S&P 500
Consumer Discretionary	4.9%	10.0%	9.6%
Consumer Staples	7.5	5.3	11.4
Energy	12.9	17.6	11.5
Financials	20.1	24.9	14.4
Health Care	13.2	8.8	12.6
Industrials	13.6	11.2	10.2
Information Technology	15.8	5.6	19.8
Materials	4.2	4.3	3.6
Telecommunication Services	1.9	5.3	3.2
Utilities	5.9	7.0	3.7
	100.0%	100.0%	100.0%

Sector classifications are generally determined by referencing the Global Industry Classification Standard (GICS) Codes developed by Standard & Poor's and Morgan Stanley Capital International. Sector allocations are a percent of equity investments and subject to change.

TOP CONTRIBUTORS
FOR THE QUARTER (% PORTFOLIO)

Kansas City Southern (2.18%)
Alaska Air Group, Inc. (1.49%)
Alcoa, Inc. (2.03%)
Integrus Energy Group, Inc. (2.16%)
Avnet, Inc. (2.27%)

BOTTOM DETRACTORS
FOR THE QUARTER (% PORTFOLIO)

MEMC Electronics Materials, Inc. (1.65%)
Unum Group (1.90%)
ADTRAN Inc. (1.74%)
ABB, Ltd. (2.14%)
Electronic Arts, Inc. (1.43%)

Number above represents percentage of the Fund's net assets.
Portfolio holdings are subject to change.

QUARTERLY UPDATE

The Heartland Select Value Fund closed out 2009 with a strong fourth quarter: **The Select Value Fund Investor Class increased 6.5%, outperforming its benchmark, the Russell 3000 Value Index, which returned 4.2%.**

During the quarter, the top three performing sectors for the Fund were Health Care, Industrials and Materials, although performance was fairly evenly distributed with all sectors posting positive returns.

The top two contributing companies to the Fund's quarterly results were transportation-related stocks: **Kansas City Southern (KSU)**, which returned more than 25% and **Alaska Air Group, Inc. (ALK)** which increased 29% over the quarter. Both companies were added to the portfolio mid-year and have benefited from a stronger economy and moderate energy costs.

On a relative basis, the Select Value Fund's best performing sector for the quarter was Financials, up 10 basis points compared to the Russell 3000 Value Index, where Financials were the worst performing sector, off 77 basis points. Rocked by the credit crisis that enveloped global economies in the second half of 2008, the sector was extremely out of favor in early 2009. With depressed valuations, we gradually increased our sector weighting, adding seven positions which were trading near or below book value. Our fourth quarter performance in this sector is a testament to our bottom up process for identifying undervalued companies with strong business franchises at attractive valuations.

Only 10 holdings detracted from the Fund's performance during the quarter. The poorest performing stock in the Fund, **MEMC Electronic Materials, Inc. (WFR)**, decreased just over 18%. This manufacturer of semiconductor wafers and polysilicon, the primary raw material for solar modules, has a pristine balance sheet with more than \$6 per share in cash, over one-third of the company's market capitalization. We believe pricing and demand for semiconductor wafers are improving while polysilicon prices are stabilizing. The strong balance sheet should mitigate downside risk.

Generally speaking, as we begin 2010, our sector weightings fall between the Russell 3000 Value and the S&P 500 Indices' weightings. The Fund trades at a discount to the Indices on a 2009 price-to-book and debt-to-capitalization basis. Significantly, the weighted average for the forward-looking 2010 price-to-earnings is 15.1 versus the S&P 500's 16.1.

We remain committed to our fundamental, bottom up research process – the same approach that provided our shareholders with a 38.6% gain in 2009 – more than 1000 basis point outperformance versus the Russell 3000 Value and S&P 500 Indices. **More importantly for the long-term value investor, we believe our fundamental-driven research has helped the Heartland Select Value Fund outpace its benchmark on an average annual basis over the 3, 5, 10-year and since inception periods.**



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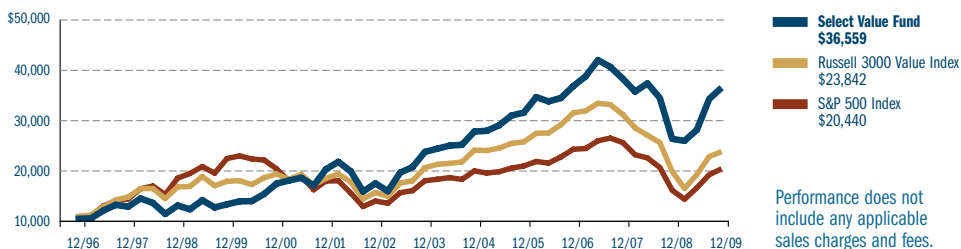
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COMMENTARY SELECT VALUE FUND

4th Quarter • December 31, 2009

GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT

(Investor Class, Since Inception: October 11, 1996)



AVERAGE ANNUAL TOTAL NET RETURNS AS OF DECEMBER 31, 2009

	Inception Date	Since Inception	Ten Years	Five Years	Three Years	One Year	Qtr-To-Date*
Heartland Investor Class (HRSVX)	10-11-96	10.30%	10.57%	5.60%	-0.28%	38.63%	6.46%
Heartland Institutional Class (HNSVX)	05-01-08	10.35	10.64	5.73	-0.08	39.02	6.51
Russell 3000 Value Index	—	6.78	2.88	-0.24	-8.91	19.76	4.17
S&P 500 Index	—	5.54	-0.95	0.42	-5.63	26.46	6.04

Index Source: FactSet Research Systems, Inc. and Standard & Poor's.

*Not Annualized

As of 5/1/09, the gross expense ratios for the Investor and Institutional Class are 1.33% and 1.29%, respectively. The Advisor has voluntarily agreed to waive fees and/or reimburse expenses with respect to the Institutional Class, to the extent necessary to maintain the Institutional Class' "Net Annual Operating Expenses" at a ratio of 0.99% of average daily net assets. This voluntary waiver/reimbursement may be discontinued at any time. Also, through November 30, 2001, the Advisor voluntarily waived a portion of the Fund's expenses. Without such waivers total returns would have been lower.

Past performance does not guarantee future results. Performance for the Institutional Class prior to May 1, 2008 is based on the performance of the Investor Class. Performance represents past performance; current returns may be lower or higher. The investment return and principal value will fluctuate so that an investor's shares, when redeemed may be worth more or less than the original cost. All returns reflect reinvested dividends and capital gains distributions, but do not reflect the deduction of taxes that an investor would pay on distributions or redemptions. To obtain performance through to the most recent month end, call 800-432-7856, or visit www.heartlandfunds.com. Subject to certain exceptions, shares of a Fund redeemed or exchanged within 10 days of purchase are subject to a 2% redemption fee. Performance does not reflect this fee, which if deducted would reduce an individual's return.

An investor should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing or sending money. This and other important information can be found in the Fund's prospectus. To obtain a prospectus, please call 1-800-432-7856 or visit www.heartlandfunds.com to download. Please read the prospectus carefully before investing.

DEFINITIONS

Price/Book Value Ratio is calculated by dividing the market price of its stock by the company's per-share book value.

Debt/Capitalization 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.

Russell 3000 Value Index (R3V) measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values.

S&P 500 Index (S&P 500) 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.

Attribution provides an in-depth analysis of portfolio return relative to a benchmark.

Allocation Effect of the Attribution Analysis is the portion of portfolio excess return attributed to taking different group positions from the benchmark.

Selection Effect of the Attribution Analysis is the portion of portfolio excess return attributable to choosing different securities within groups from the benchmark.

Interaction Effect of the Attribution Analysis is the portion of the portfolio's excess return attributable to combining allocation decisions with relative performance.

Total Effect of the Attribution Analysis is the sum of all three effects. The total effect represents the opportunity cost of your investment decisions in a group relative to the overall benchmark.

Variation Average Weight is the portfolio weight minus the benchmark weight; **Variation Total Return** is the portfolio total return minus the benchmark total return; and **Variation Contribution** is the portfolio percent contribution to return minus the benchmark percent contribution to return.

Basis Point is one hundredth of one percent.

INVESTMENT CONSIDERATIONS

In addition to stocks of large companies, the Select Value Fund invests in small and mid-sized companies that are generally less liquid than large companies. The Fund also invests in a smaller number of stocks (generally 40 to 60) than the average mutual fund. The performance of these holdings generally will increase the volatility of the Fund's returns. Value-based investments are subject to the risk that the broad market may not recognize their intrinsic values.

The statements and opinions expressed are those of the author and are as of the date of this report. All information is historical and not indicative of future results and subject to change. Reader should not assume that an investment in the securities mentioned above was or would be profitable in the future. This information is not a recommendation to buy or sell. Past performance does not guarantee future results.

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PERFORMANCE ATTRIBUTION SELECT VALUE FUND

4th Quarter • December 31, 2009

QUARTER TO DATE	Heartland Select Value Fund			Russell 3000 Value Index			Variation			Attribution Analysis			
	Average Weight	Total Return	Contribution to Return	Average Weight	Total Return	Contribution to Return	Average Weight	Total Return	Contribution to Return	Allocation Effect	Selection Effect	Interaction Effect	Total Effect
Consumer Discretionary	5.99%	15.24%	0.98%	9.66%	8.36%	0.79%	-3.68%	6.88%	0.19%	-0.18%	0.66%	-0.26%	0.21%
Consumer Staples	7.44	5.61	0.42	5.29	3.49	0.18	2.15	2.12	0.24	-0.03	0.15	0.02	0.14
Energy	13.75	7.02	0.75	17.98	5.63	0.97	-4.23	1.39	-0.23	-0.05	0.22	-0.17	0.00
Financials	19.22	0.87	0.10	25.54	-2.90	-0.77	-6.33	3.77	0.87	0.48	1.04	-0.30	1.23
Health Care	12.29	10.20	1.29	8.71	12.13	1.03	3.58	-1.93	0.26	0.25	-0.17	-0.07	0.01
Industrials	13.71	9.21	1.19	11.22	4.08	0.48	2.49	5.13	0.71	0.01	0.56	0.09	0.66
Information Technology	15.48	2.26	0.30	5.49	4.22	0.23	9.99	-1.97	0.07	-0.02	-0.10	-0.21	-0.32
Materials	4.41	24.71	1.04	4.20	9.75	0.40	0.21	14.96	0.64	0.00	0.61	0.03	0.64
Telecommunication Services	1.93	5.40	0.10	5.08	7.47	0.37	-3.15	-2.07	-0.27	-0.09	-0.10	0.06	-0.13
Utilities	5.80	16.70	0.95	6.84	7.30	0.49	-1.04	9.40	0.46	-0.02	0.62	-0.10	0.50
Total	100.00%	7.12%	7.12%	100.00%	4.17%	4.17%	-	2.94%	2.94%	0.35%	3.48%	-0.89%	2.94%

Performance attribution does not incorporate the effects of cash, unclassified securities or expenses. The total impact may not equal the difference between Fund and Benchmark returns.

Holdings Data: Heartland Select Value Fund as of 9/30/09 through 12/30/09; Russell 3000 Value 10/01/09 through 12/31/09.

ONE YEAR	Heartland Select Value Fund			Russell 3000 Value Index			Variation			Attribution Analysis			
	Average Weight	Total Return	Contribution to Return	Average Weight	Total Return	Contribution to Return	Average Weight	Total Return	Contribution to Return	Allocation Effect	Selection Effect	Interaction Effect	Total Effect
Consumer Discretionary	8.06%	47.61%	4.19%	9.14%	49.50%	4.67%	-1.08%	-1.89%	-0.48%	-0.02%	-0.55%	-0.36%	-0.93%
Consumer Staples	8.21	18.77	1.43	7.31	12.53	0.41	0.90	6.24	1.02	0.01	0.73	0.09	0.83
Energy	12.44	68.67	8.54	17.16	9.89	1.38	-4.72	58.78	7.16	0.34	10.55	-3.15	7.75
Financials	14.98	30.23	7.66	24.02	11.85	4.07	-9.04	18.38	3.59	1.68	4.53	-3.16	3.05
Health Care	13.06	35.80	3.77	11.00	23.12	1.51	2.05	12.68	2.26	0.13	1.42	0.10	1.66
Industrials	13.80	48.39	5.56	9.96	15.37	1.40	3.85	33.02	4.16	-0.57	3.32	1.39	4.14
Information Technology	15.58	45.23	7.77	4.79	61.67	2.89	10.80	-16.43	4.88	4.81	-0.54	-1.38	2.89
Materials	6.40	94.09	4.39	3.78	62.90	2.35	2.62	31.19	2.04	1.41	0.86	0.28	2.55
Telecommunication Services	1.89	4.82	0.09	5.77	9.76	0.71	-3.87	-4.94	-0.61	0.46	-0.35	0.25	0.36
Utilities	5.57	24.94	-0.47	7.09	11.08	0.33	-1.52	13.86	-0.80	1.10	0.66	-0.84	0.93
Total	100.00%	42.94%	42.94%	100.00%	19.72%	19.72%	-	23.22%	23.22%	9.35%	20.63%	-6.76%	23.22%

Performance attribution does not incorporate the effects of cash, unclassified securities or expenses. The total impact may not equal the difference between Fund and Benchmark returns.

Holdings Data: Heartland Select Value Fund as of 1/02/09 through 12/31/09; Russell 3000 Value 1/02/09 through 12/31/09.

THREE YEARS	Heartland Select Value Fund			Russell 3000 Value Index			Variation			Attribution Analysis			
	Average Weight	Total Return	Contribution to Return	Average Weight	Total Return	Contribution to Return	Average Weight	Total Return	Contribution to Return	Allocation Effect	Selection Effect	Interaction Effect	Total Effect
Consumer Discretionary	9.77%	-24.45%	-2.40%	8.55%	-24.29%	-0.36%	1.22%	-0.16%	-2.05%	-0.66%	0.40%	-0.75%	-1.00%
Consumer Staples	7.57	6.41	1.69	7.84	4.73	-0.63	-0.27	1.67	2.33	-0.84	0.37	0.61	0.15
Energy	12.22	33.31	3.02	15.55	5.45	-0.59	-3.33	27.85	3.61	-1.70	6.68	-2.74	2.23
Financials	12.37	-18.01	3.33	28.24	-55.95	-19.63	-15.87	37.94	22.96	9.48	18.50	-12.86	15.11
Health Care	10.59	13.71	0.27	9.15	3.63	-0.22	1.44	10.08	0.49	0.22	0.14	0.18	0.53
Industrials	18.33	-3.54	-3.48	9.85	-23.90	-3.05	8.48	20.37	-0.44	0.27	2.96	1.03	4.26
Information Technology	12.98	5.33	0.95	4.34	-17.18	0.38	8.64	22.51	0.57	1.96	0.77	0.21	2.94
Materials	9.12	11.41	-2.16	4.05	1.83	0.29	5.07	9.59	-2.45	0.74	0.30	-0.11	0.93
Telecommunication Services	0.90	28.89	0.71	5.79	-15.64	-0.34	-4.89	44.53	1.05	-0.69	-0.49	-0.03	-1.21
Utilities	6.15	9.84	-1.72	6.63	-0.81	-0.39	-0.48	10.66	-1.34	1.04	0.61	-0.86	0.80
Total	100.00%	0.21%	0.21%	100.00%	-24.53%	-24.53%	-	24.73%	24.73%	9.82%	30.24%	-15.32%	24.73%

Performance attribution does not incorporate the effects of cash, unclassified securities or expenses. The total impact may not equal the difference between Fund and Benchmark returns.

Holdings Data: Heartland Select Value Fund as of 12/29/06 through 12/30/09; Russell 3000 Value 12/29/06 through 12/31/09.

Source: FactSet Research Systems, Inc. Holdings are subject to change. Data only represents domestic equity portion of portfolio. Industry and sector classifications for each security held in the account are generally determined by referencing the Global Industry Classification Standard Codes. Performance shown is cumulative.



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