



Distributed by ALPS Distributors, Inc.  
789 North Water Street, Milwaukee, WI 53202  
1-800-432-7856  
[www.heartlandfunds.com](http://www.heartlandfunds.com)

October 23, 2009

*“Individuals who cannot master their emotions are ill-suited to profit from the investment process.”*

– Benjamin Graham

Dear Fellow Shareholder,

The bull market that began this spring gathered momentum in the third quarter, with the Dow Jones Industrial Average recording the best quarterly gain in 10 years. The S&P 500 Index participated in this rally and has increased more than 50% since March 9. Yet its 10-year average annual return is zero.

**We're proud to report that over the same time frame, every Heartland Fund outpaced the S&P, with an average annual return of more than 10%.<sup>(1)</sup>**

Despite the market's significant advance, data suggests investors seem to be disinterested in equities as money has poured into bond or debt mutual funds. Approximately \$214 billion has flowed into fixed income funds since the beginning of March, while equity mutual funds have seen an inflow of only \$10.5 billion. This is in contrast to the recent 2003 to 2006 period when \$283 billion flowed into equity mutual funds compared to an inflow of \$113 billion into bond funds.<sup>(2)</sup>

Still, a significant amount of cash sits on the sidelines – approximately \$9.5 trillion in bank deposits, money-market funds and cash – enough to purchase all of the companies in the S&P, and well in excess of the historical average of 62% of the S&P's worth since 1999.<sup>(3)</sup>

#### **What Does This Mean for Investors?**

- At Heartland, we interpret the fund flow data as bullish for stocks, as investor avoidance of equities is, in our view, a contrarian indicator of future flows.
- The mountain of cash on the sidelines is, in our opinion, the “fuel” for higher stock prices.

After the worst bear market since the 1930s, investors seem to be avoiding losses rather than seeking gains. Perhaps it is human nature to recall and emphasize the recent bear mauling and fear its return. Although investor sentiment remains cautious, we encourage shareholders to think long-term and be a bit contrarian, maintaining an equity allocation appropriate for your portfolio.

Through good and bad markets, we thank you for your continued confidence.

Your Heartland Investment Team

*P.S. Help reduce printing and mailing costs by enrolling in our electronic delivery service at [www.heartlandfunds.com](http://www.heartlandfunds.com).*

**Average Annual Total Returns Investor Class Shares  
As of September 30, 2009**

	Inception Date	Since Inception	Twenty Years	Ten Years	Five Years	Three Years	One Year	Year-To-Date*
<b>Heartland Select Value Fund</b>	10-11-96	9.98%	—	10.41%	6.38%	-0.16%	-0.50%	30.22%
Russell 3000 Value Index	—	6.58	—	2.97	0.96	-7.78	-10.79	14.97
S&P 500 Index <sup>(1)</sup>	—	5.18	—	-0.15	1.02	-5.43	-6.91	19.26
<b>Heartland Value Plus Fund</b>	10-26-93	10.58%	—	10.54%	5.16%	4.65%	-7.59%	19.69%
Russell 2000 Value Index	—	9.05	—	8.05	1.78	-6.65	-12.61	16.36
Russell 2000 Index	—	7.03	—	4.88	2.41	-4.57	-9.55	22.43
<b>Heartland Value Fund</b>	12-28-84	12.84%	11.77%	10.52%	2.88%	-3.41%	1.73%	38.90%
Russell 2000 Value Index	—	11.00	9.79	8.05	1.78	-6.65	-12.61	16.36
Russell 2000 Index	—	9.21	7.86	4.88	2.41	-4.57	-9.55	22.43

\*Not Annualized

**As of 5/1/09, the gross expense ratios for the Heartland Select Value, Value Plus and Value Funds Investor Class shares are 1.33%, 1.27% and 1.20%, respectively.**

**Past performance does not guarantee future results. 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 the most recent month end, call 800-432-7856 or visit [www.heartlandfunds.com](http://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.

Index Definitions: Russell 3000 Value Index measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values. 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. Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. Russell 2000 Index includes the 2000 firms from the Russell 3000 Index with the smallest market capitalizations. Dow Jones Industrial Average is a price-weighted average of 30 actively traded Blue-Chip Stocks. All indices are unmanaged. It is not possible to invest directly in an index.

The Heartland Funds are offered in Investor Class and Institutional Class shares. See our prospectus for more information.

**An investor should consider the Funds' investment objectives, risks, and charges and expenses carefully before investing or sending money. This and other important information can be found in the Funds' prospectus. To obtain a prospectus, please call 1-800-432-7856 or visit our website at [www.heartlandfunds.com](http://www.heartlandfunds.com) to download. Please read the prospectus carefully before investing.**

The Funds invest in small companies selected on a value basis. Such securities generally are more volatile and less liquid than those of larger companies. Value based investments are subject to the risk that the broad market may not recognize their intrinsic values. The Select Value and Value Plus Funds also invest in a smaller number of stocks (generally 30 to 60) than the average mutual fund. The performance of these holdings generally will increase the volatility of the Funds' returns.

(1) The S&P provides an indication of broad market performance, but is not the benchmark index for the Funds. The "Since Inception" return of the S&P will differ based on the inception dates of the Value Plus and Value Funds. (2) Source: [www.marketwatch.com](http://www.marketwatch.com), September 18, 2009, and TrimTabs Investment Research. (3) Source: [www.bloomberg.com](http://www.bloomberg.com), September 28, 2009.

HLF1476/0110