

2ND QUARTER 2010

# HEARTLAND SELECT VALUE FUND

June 30, 2010

## PORTFOLIO MANAGEMENT TEAM

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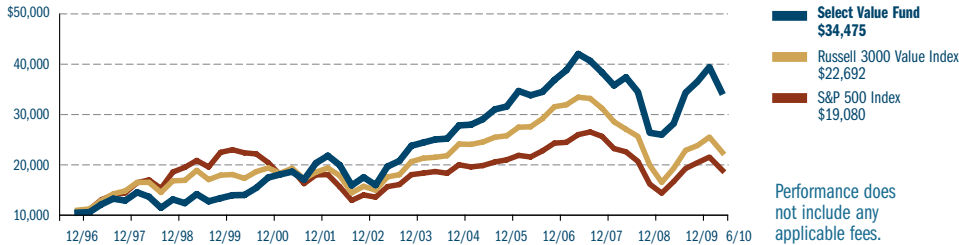


*"We believe value investing  
is the most intelligent way  
to build your net worth."*

**Seeks long-term capital appreciation without  
market capitalization constraints**

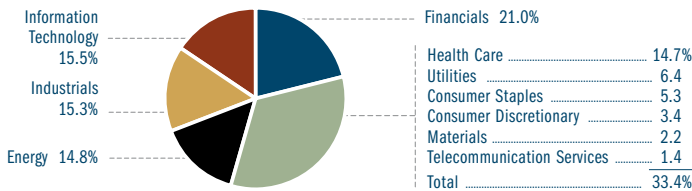
### GROWTH OF A HYPOTHETICAL \$10,000 INVESTMENT

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



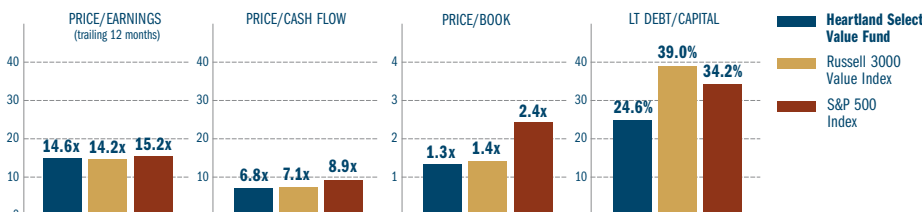
Performance does not include any applicable fees.

### SECTOR ALLOCATION



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.

### WEIGHTED MEDIAN VALUATION ANALYSIS



### AVERAGE ANNUAL TOTAL NET RETURNS AS OF JUNE 30, 2010

	Inception Date	Since Inception	Ten Years	Five Years	Three Years	One Year	Year-To-Date*
Heartland Investor Class	10-11-96	9.44%	9.42%	3.46%	-6.40%	22.27%	-5.70%
Heartland Institutional Class	05-01-08	9.51	9.51	3.63	-6.15	22.67	-5.50
Russell 3000 Value Index	—	6.14	2.74	-1.56	-12.13	17.57	-4.83
S&P 500 Index	—	4.81	-1.59	-0.79	-9.81	14.43	-6.65

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

\*Not Annualized

**In the prospectus dated 5/1/10, the gross expense ratios for the Investor and Institutional Classes are 1.27% and 0.94%, 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 11/30/01, 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 5/1/08 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](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.**

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### HEARTLAND SELECT VALUE FUND

	Investor Class	Institutional Class
Ticker	HRSVX	HNSVX
CUSIP	422352807	422352856
NAV	\$23.49	\$23.52
Initial Investment	\$1,000	\$500,000
Subsequent Investment	100	100
IRA Initial Investment	500	500,000

### PORTFOLIO STATISTICS

Number of Holdings*	50
Net Assets	\$521 mil.
Median Market Cap	3,588 mil.
Weighted Average Market Cap	16,601 mil.
% of Assets in Dividend-Paying Companies	72.0

\*Excludes cash equivalents and options.

### CAPITALIZATION BREAKDOWN

(% of equity investments)

Large-Cap Companies (> \$10 bil.)	32.6%
Mid-Cap Companies (\$2 bil. – \$10 bil.)	41.7
Small-Cap Companies (\$300 mil. – \$2 bil.)	25.7
Micro-Cap Companies (< \$300 mil.)	0.0

The above breakdown does not include short-term investments.

### TOP HOLDINGS – % OF NET ASSETS

Forest Laboratories, Inc.	2.7%
Johnson Controls, Inc.	2.4
Cimarex Energy, Co.	2.3
Hawaiian Electric Industries, Inc.	2.3
Raymond James Financial, Inc.	2.3
CVS Caremark Corp.	2.3
Micrel, Inc.	2.3
Torchmark Corp.	2.2
PNC Financial Services Group, Inc.	2.2
Endo Pharmaceuticals Holdings Inc.	2.2

The portfolio holdings are as of 6/30/10 and are subject to change. For a complete list of the Fund's portfolio securities visit [www.heartlandfunds.com](http://www.heartlandfunds.com).



**HEARTLAND FUNDS**  
AMERICA'S VALUE INVESTOR®

**INVESTMENT STRATEGY/DISTINGUISHING CHARACTERISTIC**

The Select Value Fund seeks to capture long-term capital appreciation through dynamic pursuit of value irrespective of market capitalization, making it compelling as a core holding. The Fund utilizes Heartland's disciplined and time-tested 10 Principles of Value Investing™ to identify companies with the potential for appreciation and a potential margin of safety to limit downside risk.

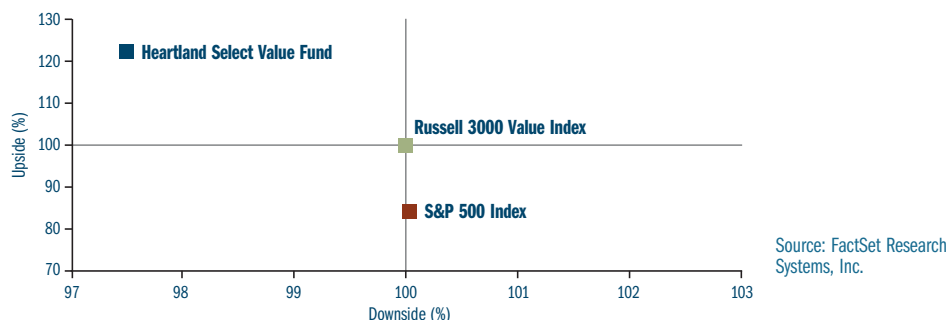
**HEARTLAND'S 10 PRINCIPLES OF VALUE INVESTING™**

1. Catalyst for Recognition
2. Low Price in Relation to Earnings
3. Low Price in Relation to Cash Flow
4. Low Price in Relation to Book Value
5. Financial Soundness
6. Positive Earnings Dynamics
7. Sound Business Strategy
8. Capable Management and Insider Ownership
9. Value of the Company
10. Positive Technical Analysis

**UPSIDE/DOWNSIDE CAPTURE RATIO**

(Investor Class, November 1996 – June 2010)

This chart illustrates the Fund's historical outperformance in both rising and falling markets.

**FIVE YEAR RISK STATISTICS**

(Investor Class)

Fund vs.	Russell 3000 Value	S&P 500	Sharpe Ratio
Annual Alpha (%)	5.33	4.74	Select Value Fund 0.04
Beta	1.00	1.10	Russell 3000 Value -0.23
R-Squared	0.88	0.91	S&P 500 -0.21

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

**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](http://www.heartlandfunds.com). Please read the prospectus carefully before investing.**

**DEFINITIONS**

When calculating these measurements for the Fund, we have substituted the Fund's benchmark index as the "market return."

**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.

**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.

**Alpha** is an annual measure of a portfolio's return in excess of the market return, both adjusted for risk. It is a measure of the manager's contribution to performance due to security selection. A positive annual Alpha indicates that the portfolio outperformed the market on a risk-adjusted basis, and a negative annual Alpha indicates the portfolio did worse than the market.

**Beta** is a measure of the sensitivity of a portfolio's rates of return against those of the market. A Beta less than 1.00 indicates volatility less than that of the market.

**R-Squared** is a measure that indicates the extent to which fluctuations in portfolio returns are correlated with those of the general market. An R-Squared of 0.75 indicates that 75% of the fluctuation in a portfolio's return is explained by the fluctuation of the market.

**Sharpe Ratio** is the average return, less the risk-free return, divided by the standard deviation of return. The ratio measures the relationship of reward to risk in an investment strategy.

**Up and Down Capture** is a measure of how well a manager was able to replicate or improve on phases of positive benchmark returns, and how badly the manager was affected by phases of negative benchmark returns. When the Russell 3000 Value Index has risen in value, the Fund has exceeded the Index's return ("upside capture"). When the benchmark has declined in value, the Fund has offered downside protection by not capturing the full decline ("downside capture").

**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.

All indices mentioned are unmanaged. It is not possible to invest directly in an index.

**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.

