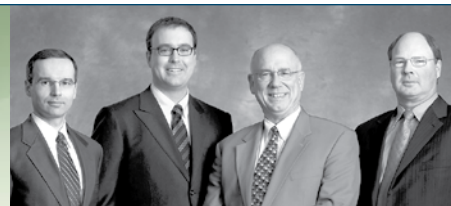


## COMMENTARY

HEARTLAND  
SELECT VALUE FUND

2nd Quarter • June 30, 2010

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  
(3/31/10 - 6/30/10)

Investor Class	Institutional Class	Russell 3000 Value Index	S&P 500 Index
-12.58%	-12.47%	-11.09%	-11.43%

SECTOR WEIGHTS  
(% OF EQUITY INVESTMENTS)

	Fund	R3V	S&P 500
Consumer Discretionary	3.4%	7.6%	10.1%
Consumer Staples	5.3	10.0	11.5
Energy	14.8	10.3	10.7
Financials	21.0	29.3	16.3
Health Care	14.7	12.8	12.1
Industrials	15.3	9.2	10.4
Information Technology	15.5	5.8	18.7
Materials	2.2	3.1	3.4
Telecommunication Services	1.4	4.6	3.0
Utilities	6.4	7.3	3.8
	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)

Cimarex Energy Co. (2.31%)  
Adtran Inc. (2.09%)  
Whirlpool Corp.<sup>1</sup>  
Investors Bancorp Inc.<sup>1</sup>  
Anadarko Petroleum Corp.<sup>1</sup>

LARGEST DETRACTORS  
FOR THE QUARTER (% PORTFOLIO)

MEMC Electronic Materials (1.60%)  
Gammon Gold (2.11%)  
ATMI Inc. (2.18%)  
Benchmark Electronics Inc (1.68%)  
CVS Caremark Corp. (2.28%)

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

1. Company no longer held in the portfolio. 2. As of 6/30/10, SIGI and PNC represented 2.02% and 2.22% of the portfolio.  
3. As of 6/30/10, Intel was not held in the portfolio.

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## QUARTERLY UPDATE

The second quarter proved exceptionally challenging for the Select Value Fund Investor Class, which declined 12.6% versus the Russell 3000 Value Index which was down 11.1%. This correction drove the Fund and Index into negative territory for the year. Concerns over sovereign debt issues and the potential for a slower U.S. economy weighed on the market.

Since the Fund's inception, our team has utilized the 10 Principles of Value Investing™ to find underfollowed or misunderstood companies with low valuations on a price to earnings, cash flow and book value basis. We seek low-debt businesses priced at a discount to their historical and peer group valuations. Our objective is to provide shareholders with a potential margin of safety and upside opportunity.

You may recall in 2009, our bottom up, contrarian approach led us to a number of battered stocks in the unloved Financials sector. These businesses were at prices near or below book value, and ranged in size from a small insurance company, **Selective Insurance Group, Inc. (SIGI)** to a large regional bank, **PNC Bank Corporation (PNC)**. This group aided performance in 2009 and mitigated our losses in the second quarter of 2010.

Recently, we have found attractive valuations meeting our disciplined investment criteria in the Information Technology sector. As shown in the Sector Weights table, the Select Value Fund was weighted 15.5% in this sector, substantially larger than the benchmark and slightly underweight compared to the broader S&P 500 Index. Our IT holdings tend to have solid cash flows with little debt, and remained profitable over the last two years.

Despite these positive attributes, Information Technology stocks detracted from the Fund's quarterly return compared to the Russell 3000 Value. Following May's "Flash Crash," economic recovery expectations diminished, causing investors to flee the sector. Of our holdings, **MEMC Electronic Materials (WFR)**, **ATMI Inc. (ATMI)**, and **Benchmark Electronics Inc. (BHE)** were significantly discounted.

We remain positive on the sector. Technology is a cyclical business, and one of the first areas to be cut in belt tightening times. As a result, corporations have underinvested in their technology infrastructure for over two years. We believe they will begin a refresh cycle. Perhaps Intel's positive second quarter results and optimistic outlook for the second half signals the beginning of the refresh.<sup>3</sup>

Throughout the recent volatility, we remain patient investors. As of June 30, 2010, the Fund, consisting of 50 holdings, had lower price to book and cash flow ratios than those of the Russell 3000 Value; a low debt-to-capital ratio; and more than 70% of assets were in companies that paid dividends. We believe these attributes will continue to help the Fund provide long-term outperformance in both rising and falling markets.



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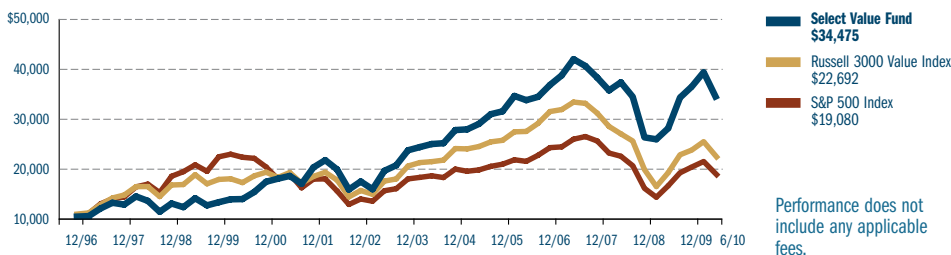
## COMMENTARY

# SELECT VALUE FUND

2nd Quarter • June 30, 2010

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

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



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

	Inception Date	Since Inception	Ten Years	Five Years	Three Years	One Year	Qtr-To-Date*
Heartland Investor Class	10-11-96	9.44%	9.42%	3.46%	-6.40%	22.27%	-12.58%
Heartland Institutional Class	05-01-08	9.51	9.51	3.63	-6.15	22.67	-12.47
Russell 3000 Value Index	—	6.14	2.74	-1.56	-12.13	17.57	-11.09
S&P 500 Index	—	4.81	-1.59	-0.79	-9.81	14.43	-11.43

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 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](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.**

**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) to download. Please read the prospectus carefully before investing.**

**The recent rise in the stock market has helped to produce short-term returns for some asset classes that are not typical and may not continue in the future. Because of ongoing market volatility, fund performance may be subject to substantial short-term changes.**

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.

### DEFINITIONS

**Price/Earnings Ratio (P/E)** of a stock is calculated by dividing the current price of the stock by its trailing or its forward 12 months' earnings per share.

**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.

**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 members of the Portfolio Management Team are registered representatives of ALPS Distributors, Inc.



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## PERFORMANCE ATTRIBUTION SELECT VALUE FUND

2nd Quarter • June 30, 2010

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	3.34%	-12.38%	-0.45%	10.78%	-12.37%	-1.22%	-7.44%	-0.02%	0.77%	0.06%	0.05%	-0.04%	0.06%
Consumer Staples	5.56	-20.46	-1.03	5.52	-7.04	-0.42	0.05	-13.42	-0.61	-0.21	-0.83	0.14	-0.91
Energy	13.84	-8.64	-1.08	16.29	-12.76	-1.78	-2.44	4.12	0.70	-0.01	0.71	-0.06	0.65
Financials	21.74	-12.61	-2.71	27.10	-13.21	-3.69	-5.36	0.60	0.97	0.11	0.12	-0.01	0.21
Health Care	13.60	-12.49	-1.61	8.25	-12.26	-1.12	5.35	-0.22	-0.49	-0.02	0.04	-0.04	-0.02
Industrials	15.48	-11.80	-1.88	11.19	-14.30	-1.57	4.29	2.50	-0.31	-0.16	0.32	0.11	0.27
Information Technology	16.19	-18.50	-3.19	5.50	-12.49	-0.72	10.69	-6.02	-2.46	-0.13	-0.34	-0.68	-1.14
Materials	3.01	-30.39	-0.80	4.23	-15.46	-0.58	-1.21	-14.93	-0.23	0.03	-0.66	0.28	-0.36
Telecommunication Services	1.33	-4.26	-0.05	4.64	-5.07	-0.22	-3.31	0.81	0.16	-0.21	0.03	-0.02	-0.20
Utilities	5.88	-6.83	-0.43	6.50	-3.74	-0.27	-0.62	-3.09	-0.16	-0.05	-0.19	0.02	-0.22
<b>Total</b>	<b>100.00%</b>	<b>-13.23%</b>	<b>-13.23%</b>	<b>100.00%</b>	<b>-11.58%</b>	<b>-11.58%</b>	<b>-</b>	<b>-1.65%</b>	<b>-1.65%</b>	<b>-0.59%</b>	<b>-0.75%</b>	<b>-0.31%</b>	<b>-1.65%</b>

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 3/31/10 through 6/30/10; Russell 3000 Value 4/01/10 through 7/01/10.

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	5.93%	48.04%	3.71%	10.06%	36.63%	3.20%	-4.13%	11.41%	0.51%	-0.37%	0.88%	-0.40%	0.11%
Consumer Staples	6.87	4.01	0.94	5.41	16.22	0.83	1.46	-12.21	0.11	-0.26	-0.62	0.27	-0.60
Energy	13.31	32.43	3.82	17.32	4.36	1.48	-4.01	28.06	2.34	0.55	4.60	-1.36	3.80
Financials	19.37	29.59	4.26	25.81	18.44	4.27	-6.44	11.15	-0.01	-0.25	2.22	-0.52	1.45
Health Care	12.94	16.78	2.07	8.74	11.36	1.03	4.20	5.42	1.04	-0.24	0.41	0.14	0.31
Industrials	14.30	39.28	4.66	11.09	29.36	2.99	3.21	9.92	1.67	0.26	0.93	0.15	1.34
Information Technology	15.84	10.10	1.84	5.57	18.97	1.10	10.27	-8.87	0.74	0.33	-0.39	-0.82	-0.88
Materials	4.14	-10.24	1.33	4.20	28.26	1.20	-0.06	-38.50	0.13	0.27	-1.11	0.59	-0.25
Telecommunication Services	1.64	4.48	0.11	4.99	4.40	0.28	-3.35	0.08	-0.17	0.53	0.09	-0.02	0.59
Utilities	5.66	28.87	1.38	6.81	7.79	0.54	-1.15	21.08	0.84	0.29	1.25	-0.21	1.33
<b>Total</b>	<b>100.00%</b>	<b>24.11%</b>	<b>24.11%</b>	<b>100.00%</b>	<b>16.92%</b>	<b>16.92%</b>	<b>-</b>	<b>7.19%</b>	<b>7.19%</b>	<b>1.10%</b>	<b>8.26%</b>	<b>-2.16%</b>	<b>7.19%</b>

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 6/30/09 through 6/30/10; Russell 3000 Value 7/01/09 through 7/01/10.

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	8.73%	-17.92%	-1.53%	8.79%	-28.54%	-0.64%	-0.06%	10.62%	-0.89%	-0.89%	1.57%	-0.83%	-0.16%
Consumer Staples	7.29	-23.51	-0.36	7.52	0.61	-0.85	-0.23	-24.12	0.49	-1.01	-1.52	0.64	-1.89
Energy	12.78	1.89	0.09	16.15	-19.05	-3.40	-3.37	20.94	3.50	-1.33	6.41	-2.61	2.48
Financials	13.19	-21.84	2.28	26.78	-56.24	-19.00	-13.59	34.41	21.29	7.50	15.89	-11.11	12.28
Health Care	11.90	-1.84	-0.99	9.42	-13.93	-1.57	2.48	12.09	0.58	-0.02	0.47	0.26	0.70
Industrials	16.67	-22.01	-6.28	10.42	-34.31	-3.76	6.26	12.30	-2.51	-0.55	2.61	-0.16	1.91
Information Technology	13.94	-20.02	-2.46	4.59	-29.52	-0.33	9.35	9.50	-2.13	1.50	0.23	-0.72	1.01
Materials	8.13	-50.75	-7.58	4.08	-24.11	-0.57	4.05	-26.63	-7.01	-0.82	-1.66	0.17	-2.31
Telecommunication Services	1.01	8.72	0.39	5.59	-33.67	-1.35	-4.57	42.39	1.74	-0.19	-0.70	0.07	-0.81
Utilities	6.35	9.27	-1.75	6.66	-12.70	-1.12	-0.31	21.97	-0.64	0.96	1.22	-0.97	1.22
<b>Total</b>	<b>100.00%</b>	<b>-18.17%</b>	<b>-18.17%</b>	<b>100.00%</b>	<b>-32.59%</b>	<b>-32.59%</b>	<b>-</b>	<b>14.41%</b>	<b>14.41%</b>	<b>5.16%</b>	<b>24.52%</b>	<b>-15.27%</b>	<b>14.41%</b>

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 6/29/07 through 6/30/10; Russell 3000 Value 7/02/07 through 7/01/10.

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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