

AN INVESTOR'S OPPORTUNITY TO COVER THE BASES

Why Value?

As America's Value Investor,[®] Heartland strives to uncover value opportunities in equities. We have been managing assets according to the same discipline for over 27 years.

We are biased toward value for good reason. \$1.00 invested in the Russell Indices at the end of 1978 through 2011 would have been worth:

| | |
|---|------|
| Large Cap Value (Russell 1000 Value) | \$40 |
| All Value (Russell 3000 Value) | 41 |
| Small Cap Value (Russell 2000 Value) | 57 |
| Large Cap Growth (Russell 1000 Growth) | 26 |
| All Growth (Russell 3000 Growth) | 25 |
| Small Cap Growth (Russell 2000 Growth) | 17 |

Source: Furey Research Partners, 12/31/78-12/31/11

Past performance does not guarantee future results. The hypothetical example is for illustrative purposes only and does not represent the returns of any particular investment. It is not possible to invest directly in an index.

As an all-capitalization strategy, the Heartland Select Value Fund (Investor Class HRSVX) traverses the market cap spectrum. This may present a dilemma to the classical asset allocation strategist because the Fund doesn't fit a narrow capitalization range. We agree that most investors appropriately differentiate between value and growth. However, we challenge the assumption that allocation decisions should be constrained within narrow capitalization ranges.

One way to implement an active management approach in hopes of generating returns in excess of an index benchmark is to select a single equity style, perhaps from among the following traditional style box options:

| | | |
|-----------------|-----------------|------------------|
| Large Cap Value | Large Cap Blend | Large Cap Growth |
| Mid Cap Value | Mid Cap Blend | Mid Cap Growth |
| Small Cap Value | Small Cap Blend | Small Cap Growth |

Source: Morningstar

A downside to selecting only one style is the fact that it can go in-and-out of favor over different time periods, sometimes dramatically, delivering volatile results. Thus, many investors conclude that it makes sense to allocate amongst multiple styles. However, this may generate additional complexities:

- How much weight should be assigned to each style?
- How will re-balancing occur?
- When should an investor make an allocation?
- Which vehicle is best for each box, given that many investment vehicles are "single-box" focused?
- Who will perform these allocation responsibilities?

It may be difficult to efficiently evaluate, select, and weight equity styles for a strategic time horizon, let alone for tactical allocations.

What other options are available to investors? Why not utilize an individual value manager whose mandate includes multiple capitalization ranges?



THE ALL-CAPITALIZATION APPROACH OF THE HEARTLAND SELECT VALUE FUND

To test our proposition, we analyzed the Heartland Select Value Fund's annual market cap weightings over 11 years. We further examined the performance of each market capitalization range (small, mid, and large) during those annual periods. The results form a compelling argument in favor of the Heartland Select Value Fund as a core equity holding.

The following table illustrates the Heartland Select Value Fund's average market cap weights¹ from 2001 through 2011:

Focused on Value, Not Size

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|-------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Small Caps | 43.2% | 42.1% | 37.2% | 27.2% | 21.9% | 20.7% | 23.2% | 28.9% | 24.8% | 26.1% | 32.6% |
| Mid Caps | 28.4 | 28.6 | 34.0 | 43.1 | 45.6 | 36.5 | 36.2 | 39.2 | 40.8 | 40.4 | 28.2 |
| Large Caps | 28.4 | 29.3 | 28.9 | 29.7 | 32.6 | 42.9 | 40.7 | 31.9 | 34.5 | 33.5 | 39.2 |

Source: Heartland Advisors, Inc.

Numbers above are calculated by averaging quarter-end market-cap weightings.

We next looked at value equity class performance rankings over the course of each year to determine if the market cap weightings above were appropriate during the corresponding years. The following table ranks the best and the worst performing asset class among Small, Mid and Large Caps from 2001 to 2011:

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Best | Small | Mid | Mid | Small | Mid | Large | Mid | Small | Mid | Small | Large |
| Worst | Large | Large | Large | Large | Large | Mid | Small | Large | Large | Large | Mid |

Past performance does not guarantee future results.

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

Small Cap are represented by the S&P Small Cap 600 Index. Mid Cap are represented by the S&P Mid Cap 400 Index. Large Caps are represented by the S&P 500 Index.

Alpha can be generated by overweighting outperforming spaces and by avoiding underperforming spaces. The boxes highlighted in green in the chart above illustrate the years when the Select Value Fund had the most success: we overweighted most heavily the best performing cap-ranges, or underweighted the worst performing. Yellow are those years where we underweighted the best performing cap-range. There were no periods in which we overweighted the worst performing capitalization range.

Bottom-Up Security Selection Drives Weighting

We are not proponents of a top-down, approach to generating alpha. Rather, it is our bottom-up security selection discipline that drives our market cap weightings.

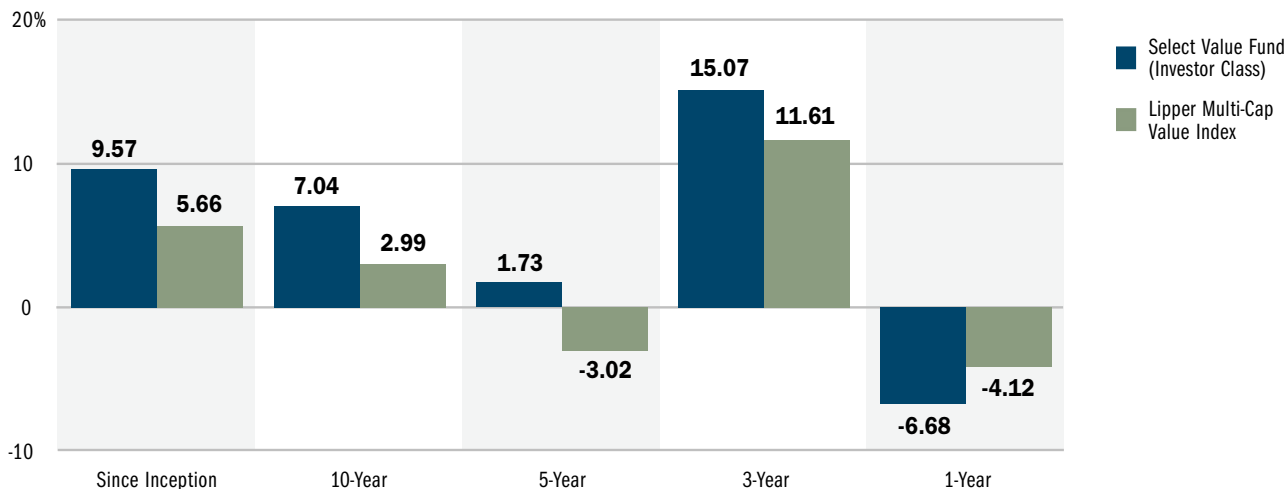
By purchasing stocks with attractive valuations irrespective of capitalization, we are likely to overweight the portfolio in those areas where the best valuations exist. By selling those securities whose prices have met our valuation targets, we naturally reduce our exposure to capitalization ranges that may be trading at higher multiples.

Over the long-term our focus on value, not size, has worked. As shown in the chart below, the Select Value Fund outpaced its peers in the Lipper Multi-Cap Value Index over all time frames, except the most recent year.

We view this multi-cap approach as an advantageous framework within which to exercise our security selection discipline. We also believe it represents a unique means by which an advisor’s asset allocation practices can, without any additional effort on their part, take on a tactical and continuous allocation methodology based on valuation.

**For more information,
please read the Select
Value Fund fact sheet
which can be found at
www.heartlandfunds.com.**

Average Annual Returns – Heartland Select Value Fund vs. Lipper Multi-Cap Value Index as of December 31, 2011



*Index Source: Lipper, Inc.
Inception date for the Fund is 10-11-96.*

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. 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. To obtain performance through the most recent month end, call 800-432-7856 or visit www.heartlandfunds.com.

In the prospectus dated 5/1/12, the gross expense ratio for the Heartland Select Value Fund Investor Class shares is 1.22%. Also, through 11/30/01, the Advisor voluntarily waived a portion of the Fund’s expenses. Without such fee waivers total returns would have been lower.

THE ALL-CAPITALIZATION APPROACH OF THE HEARTLAND SELECT VALUE FUND

Average Annual Total Returns

| As of 3/31/12 | Since Inception | Ten Years | Five Years | Three Years | One Year |
|---|-----------------|-----------|------------|-------------|----------|
| Heartland Select Value Fund - Investor Class | 10.13% | 7.39% | 2.78% | 22.87% | -3.72% |
| Russell 3000 Value Index | 7.52 | 4.73 | -0.75 | 23.03 | 4.30 |
| S&P MidCap 400 Index | 10.96 | 7.70 | 4.78 | 28.55 | 1.98 |
| S&P 500 Index | 6.63 | 4.12 | 2.01 | 23.42 | 8.54 |
| S&P SmallCap 600 Index | 9.17 | 7.58 | 3.62 | 29.22 | 5.03 |
| Lipper Multi-Cap Value Index | 6.41 | 4.03 | -0.75 | 21.17 | 1.47 |
| As of 12/31/11 | | | | | |
| Heartland Select Value Fund - Investor Class | 9.57% | 7.04% | 1.73% | 15.07% | -6.68% |
| Russell 3000 Value Index | 6.90 | 4.08 | -2.58 | 11.62 | -0.10 |
| S&P MidCap 400 Index | 10.23 | 7.04 | 3.32 | 19.57 | -1.73 |
| S&P 500 Index | 5.91 | 2.92 | -0.25 | 14.11 | 2.11 |
| S&P SmallCap 600 Index | 8.52 | 7.09 | 1.94 | 17.01 | 1.02 |
| Lipper Multi-Cap Value Index | 5.66 | 2.99 | -3.02 | 11.61 | -4.12 |

Index Source: FactSet Research Systems, Inc., and Standard & Poor's and Lipper, Inc.
The Inception date for the Select Value Fund is 10/11/96.

In the prospectus dated 5/1/12, the gross expense ratio for the Select Value Fund Investor Class is 1.22%. Through 11/30/01, the Advisor voluntarily waived a portion of the Fund's expenses. Without such waivers total returns would have been lower.

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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 investments are subject to the risk that their intrinsic values may not be recognized by the broad market.**

¹For purposes of this analysis, large-cap companies are defined as larger than \$10 billion in market cap, mid-cap companies are between \$2 billion and \$10 billion, and small-cap companies are less than \$2 billion.

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. Please read the prospectus carefully before investing.

HOW MAY WE HELP YOU?

Direct Investors

1-800-432-7856 | <http://heartlandfunds.com>

Financial Professionals

1-888-881-0882 | <http://fp.heartlandfunds.com/>

Definitions

Alpha is an annualized 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.

Lipper Each Lipper Fund Index is composed of 10 or 30 largest funds, equally weighted and listed on the NASDAQ, that are in the Lipper investment objective grouping. The Lipper fund indices do not represent the Fund's benchmark.

Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 3000 Growth Index measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

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 MidCap 400 Index is a group of 400 domestic stocks chosen for their market size, liquidity and industry group representation.

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.

S&P SmallCap 600 Index is a group of 600 U.S. 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 portfolio holdings are subject to change without notice. For a complete list of the Fund's portfolio visit www.heartlandfunds.com.