

HEARTLAND SEPARATELY MANAGED ACCOUNTS

OPPORTUNISTIC VALUE EQUITY STRATEGY

All information, unless otherwise indicated, is as of 12/31/11

Seeks long-term capital appreciation without market capitalization constraints

PORTFOLIO MANAGEMENT TEAM AND INDUSTRY EXPERIENCE

Ted Baszler, CPA, CFA - 20 yrs
Will Nasgovitz - 11
David Fondrie, CPA - 17

INVESTMENT STRATEGY

The Opportunistic Value Equity Strategy seeks to capture long-term capital appreciation by investing in companies with market capitalizations greater than \$500 million. The Strategy's dynamic pursuit of value irrespective of market capitalization positions it as a core holding for investors.

INVESTMENT PROCESS

The Strategy utilizes Heartland's 10 Principles of Value Investing™ to identify companies with strong financial profiles and low prices relative to earnings, cash flows and book values. This process is driven by our disciplined and rigorous research efforts, based on more than 1,000 annual meetings with management teams. The approach provides both a potential margin of safety to limit downside risk and the opportunity for capital appreciation.

PORTFOLIO CONSTRUCTION

- Approximately 30-50 stocks
- Individual stocks usually represent less than 5% of portfolio
- Industry weightings typically represent less than 25% of the portfolio
- Generally fully invested but may hold cash equivalents during atypical markets
- Long-term investment horizon
- Capitalization range weightings vary with stock selections, but generally, 25% or greater in large-cap stocks

RISK MANAGEMENT

- Consistent discipline of Heartland's 10 Principles of Value Investing™
- Potential safety margin: Focus on low price-to-book value and strong balance sheets
- Liquidity analysis: Disciplined review of quantitative and qualitative factors, both at portfolio and individual position levels
- Analytical tools: Drawdown, upside/downside, risk/return, correlation, attribution, contribution
- Team approach and extensive collaboration

Our sell decisions may be driven by factors such as:

- Valuation targets achieved
- Change in investment thesis
- Deteriorating financial position
- Meeting fewer criteria of our 10 Principles of Value Investing™

NEW ACCOUNT MINIMUM: \$500,000

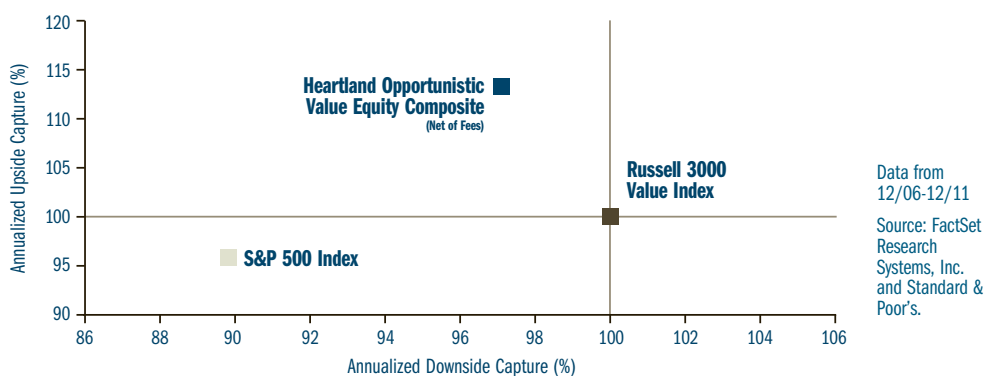
HISTORICAL RETURNS (Annualized for Multi-Year Periods) — NET OF FEES VS BENCHMARK INDICES

	SINCE INCEPTION (9-30-99)	TEN YEARS	FIVE YEARS	THREE YEARS	ONE YEAR	FOURTH QUARTER 2011
Heartland Opportunistic Value Equity Composite (Net of Advisory Fees) [†]	9.37%	6.84%	0.79%	13.71%	-7.87%	10.04%
Heartland Opportunistic Value Equity Composite (Net of Bundled Fees) [*]	7.31	4.83	-1.13	11.50	-9.66	9.52
Russell 3000 Value Index ^{**}	4.02	4.08	-2.58	11.62	-0.10	13.33
S&P 500 Index [†]	1.68	2.92	-0.25	14.11	2.11	11.82

Heartland Advisors, Inc. has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®).

^{*}See Note 6 in Accompanying Notes on reverse side. ^{**}See Note 7 in Accompanying Notes on reverse side.

ANNUALIZED DOWNSIDE CAPTURE % VS. ANNUALIZED UPSIDE CAPTURE %[†]



PORTFOLIO CHARACTERISTICS (Equity Securities Only)[†]

	OPPORTUNISTIC VALUE EQUITY COMPOSITE	RUSSELL 3000 VALUE INDEX	S&P 500 INDEX
Price/Earnings ¹	14.3x	14.7x	14.7x
Price/Book ²	1.3	1.6	2.6
Price/Cash Flow ²	8.0	7.2	9.3
Long-Term Debt/Capital	28.25%	35.60%	33.40%
Average Weighted Market Cap	\$22.3 bil	\$67.9 bil	\$95.3 bil
Median Market Cap	\$4.5 bil	\$775 mil	\$11.1 bil

SECTOR WEIGHTINGS (Equity Securities Only)[†]

	OPPORTUNISTIC VALUE EQUITY COMPOSITE	RUSSELL 3000 VALUE INDEX	S&P 500 INDEX
Consumer Discretionary	5.5%	9.1%	10.7%
Consumer Staples	9.1	7.8	11.5
Energy	13.1	11.7	12.3
Financials	14.2	25.4	13.4
Health Care	13.9	12.3	11.8
Industrials	15.3	9.7	10.7
Information Technology	13.6	9.0	19.0
Materials	5.2	2.8	3.5
Telecommunication Services	2.3	4.5	3.2
Utilities	7.8	7.7	3.9
Total	100.0%	100.0%	100.0%

Industry and sector classifications for each security held in the Composite are generally determined by referencing the Global Industry Classification Standard Codes (GICS) developed by Standard & Poor's and Morgan Stanley Capital International.

CFA is a registered trademark owned by the CFA Institute.

Past performance does not guarantee future results. Current performance may differ due to market volatility. Portfolio holdings are subject to change.

S&P 500 is supplemental information and not an index of the strategy. 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.

Data Source: FactSet Research Systems, Inc., Heartland Advisors, Inc. and Standard & Poor's. ¹Trailing 12-month actual earnings. ²Weighted median.

[†]Shown as supplemental information. See important notes on reverse side.

OPPORTUNISTIC VALUE EQUITY COMPOSITE

AS OF DECEMBER 31	NUMBER OF ACCOUNTS	MARKET VALUE \$ MILLIONS	% OF ASSETS IN WRAP ACCOUNTS	% OF FIRM ASSETS	TOTAL FIRM ASSETS \$ MILLIONS	ASSET-WEIGHTED DISPERSION	ANNUAL PORTFOLIO TURNOVER % ¹	3-YEAR STANDARD DEVIATION
2011	287	\$343.7	26.89%	5.90%	\$4,864.3	1.16%	71.0%	21.00%
2010	226	477.3	18.91	10.30	4,636.1	1.37	60.4	N/A
2009	153	248.3	21.50	7.87	3,156.1	2.30	61.1	N/A
2008	145	122.0	26.41	5.31	2,296.8	1.99	85.1	N/A
2007	146	119.2	37.80	4.14	2,880.9	2.95	63.2	N/A
2006	103	98.2	30.38	3.07	3,193.7	3.97	50.9	N/A
2005	51	44.1	20.54	1.75	2,521.5	2.81	57.3	N/A
2004	21	26.1	8.74	0.86	3,026.2	2.07	70.6	N/A
2003	15	31.7	0.00	1.03	3,072.4	2.61	35.3	N/A
2002	10	20.6	0.00	1.49	1,385.0	1.77	40.4	N/A

TOTAL RETURNS AS OF DECEMBER 31, 2011 – NET OF FEES

ANNUALIZED RETURNS YEAR	OPPORTUNISTIC VALUE EQUITY COMPOSITE (net of advisory fees)	OPPORTUNISTIC VALUE EQUITY COMPOSITE (net of bundled fees)**	RUSSELL 3000 VALUE INDEX**	BLENDED INDEX**
Inception*	9.37%	7.31%	4.02%	6.46%
Ten	6.84	4.83	4.08	5.19
Five	0.79	-1.13	-2.58	-2.16
Three	13.71	11.50	11.62	12.05
One	-7.87	-9.66	-0.10	-2.55

CUMULATIVE RETURNS YEAR	OPPORTUNISTIC VALUE EQUITY COMPOSITE (net of advisory fees)	OPPORTUNISTIC VALUE EQUITY COMPOSITE (net of bundled fees)**	RUSSELL 3000 VALUE INDEX**	BLENDED INDEX**
Inception*	199.51%	137.39%	62.15%	115.31%
Ten	93.85	60.30	49.21	65.81
Five	4.02	-5.52	-12.25	-10.37
Three	47.04	38.63	39.05	40.69
One	-7.87	-9.66	-0.10	-2.55

ANNUAL RETURNS YEAR	OPPORTUNISTIC VALUE EQUITY COMPOSITE (net of advisory fees)	OPPORTUNISTIC VALUE EQUITY COMPOSITE (net of bundled fees)**	RUSSELL 3000 VALUE INDEX**	BLENDED INDEX**
2011	-7.87%	-9.66%	-0.10%	-2.55%
2010	17.51	15.24	16.23	20.02
2009	35.82	33.18	19.76	20.29
2008	-32.38	-33.59	-36.25	-32.90
2007	4.62	2.62	-1.01	-5.05
2006	13.93	11.78	22.34	22.95
2005	14.90	12.80	6.85	5.95
2004	17.67	15.47	16.94	19.41
2003	35.66	33.17	31.14	37.88
2002	-10.82	-12.50	-15.18	-13.75

*9-30-99

**See Note 6 in Accompanying Notes

***See Note 7 in Accompanying Notes

¹Excludes Treasury bills, cash, and cash equivalents

Data Source: FactSet Research Systems, Inc. and Heartland Advisors, Inc.

In addition to stocks of large companies, the Opportunistic Value Equity Strategy invests in stocks of small- and mid-cap companies that are generally less liquid than large companies. The performance of these holdings generally will increase the volatility of the strategy's returns. Value investments are subject to the risk that their intrinsic values may not be recognized by the broad market.

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. **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").

ACCOMPANYING NOTES

- The Firm is a wholly owned subsidiary of Heartland Holdings, Inc. The Firm is registered with the Securities and Exchange Commission.
- The effective date of firm compliance is January 1, 1993.
- The Firm claims compliance with the Global Investment Performance Standards (GIPS[®]) and has prepared and presented this report in compliance with the GIPS Standards. The Firm has been independently verified from October 1, 1988 through December 31, 2009. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Opportunistic Value composite has been examined for the periods September 30, 1999 through December 31, 2009. The verification and performance examination reports are available upon request. Periods after December 31, 2009 have not yet been examined.
- This composite was created in 1999 and contains fully discretionary equity portfolios primarily invested in companies with market capitalizations that are in excess of \$500 million, but may invest in companies of all sizes. Beginning January 1, 2004, the minimum account size for this composite is \$200,000. Prior to January 1, 2004 the minimum account size for this composite was \$500,000. Portfolios in the composite that later drop below the composite minimum due to market volatility are only removed from the composite when their market value falls below \$150,000. Prior to September 15, 2007, the composite's name was the Heartland Multi Cap Value Strategy. This change is in name only and does not reflect a change to the composite's investment objective. On December 31, 2000, the composite's name was changed from the Heartland Select Value Composite to the Heartland Multi Cap Value Strategy to more fully depict its investment objective.
- The investment management fee schedule for this composite is as follows: 1.00% per annum on the first \$5,000,000 and 0.85% per annum on the next \$10,000,000. Fees on accounts over \$15,000,000 are negotiable. Actual investment advisory fees incurred by clients may vary. Further information on the Firm's fees can be found in Part II of its Form ADV. Wrap accounts are included in the composite. In addition to the management fee, wrap accounts also pay an all-inclusive fee based on a percentage of assets under management. In lieu of brokerage commissions, this fee includes portfolio monitoring consulting services and in some cases, custodial services.
- The US dollar is the currency used to express performance. Results are based on fully discretionary accounts under management, including those accounts no longer with the Firm, and actual management fees incurred. Returns are presented net of advisory fees and net of bundled fees and include the reinvestment of all income. Returns net of bundled fees reported are presented net of all fees and transaction costs incurred, include the investment of all income, and are based on the maximum all-inclusive wrap fee paid by any of the accounts included in the composite. The returns net of bundled fees were calculated by subtracting the highest applicable sponsor portion of the separately managed wrap account fee from the net of advisory fees return. As of December 31, 2011 the highest applicable sponsor portion of the separately managed wrap fee was 2.00%, which may differ significantly from fees in other wrap accounts included in this composite.
- For comparison purposes, the composite is measured against the Russell 3000 Value Index since June 30, 2009. This change was made retroactively in connection with enhancements made to the respective investment policy statements. Prior to June 30, 2009, a blended index was created by the Firm using a 50% weighting of the Russell 1000 Value Index and a 50% weighting of the Russell 2000 Value Index since March 1, 2002. Prior to March 1, 2002, a 25% weighting of the S&P MidCap 400 Barra Value Index, a 30% weighting of the S&P 500 Barra Value Index, and a 45% weighting of the S&P SmallCap 600 Barra Value Index was used. The benchmark was changed in connection with enhancements made to the respective investment policy statements. The Russell 3000 Value Index measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values. The Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization. The Russell 1000 Value Index measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 1000 Index includes the 1000 firms from the Russell 3000 Index with the largest market capitalizations. The Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 2000 Index includes the 2000 firms from the Russell 3000 Index with the smallest market capitalizations. The S&P Barra Value Indexes are constructed as subsets of S&P's industry-leading equity indexes and contain equities with lower price-to-book ratios. The blended index performance is calculated monthly and based on index information taken from published sources. All indices are unmanaged. It is not possible to invest directly in an index. Index performance reported is not covered by the report of independent accountants.
- Client portfolios included in the composite are managed by multiple portfolio managers whose investment management styles may differ. In addition, some client portfolios may be managed more or less conservatively, subject to individual client restrictions. As a result, performance differences between client portfolios in the same composite may occur. The annual composite dispersion is an asset-weighted standard deviation calculated for the accounts in the composite the entire year.
- A complete list and description of the Firm's composites and additional information regarding the policies for calculating and reporting of returns are available upon request. Contact Institutional Sales at Heartland Advisors, Inc., 789 N. Water Street, Suite 500, Milwaukee, WI 53202 or call 888-505-5180.



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