



July 1, 2010

"If a business does well, the stock eventually follows."
– Warren Buffett

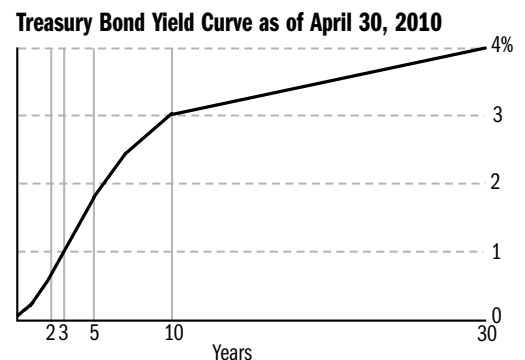
Dear Valued Shareholder,

As of the end of June, the Heartland Funds continued to outpace their benchmarks on an average annual basis over the 3, 5, 10 year and since inception time periods. These results (shown on the next page) illustrate the benefit of value investing and importance of maintaining a long-term perspective.

In the second quarter, front page news caused many investors to question the sustainability of the economic recovery. The "Flash Crash," sovereign debt problems and the tragedy in the Gulf seem to have negatively impacted sentiment. The cover of *Bloomberg Businessweek*¹ featured the mask of a bear under the heading "GRRRRR!" and a *USA Today* survey revealed more than half of its readers think the stock market will experience a double-dip.²

At Heartland, we have listened to business leaders from multiple industries and many are reporting signs of a broad-based recovery. First quarter earnings were also positive, as 77% of S&P 500 Index companies beat forecasts.³ If *Bloomberg Businessweek*'s persistent pessimists were talking directly with management teams, as we do, they might share our optimism.

Macro-economic data confirms our view, we believe. Historically, one of the most reliable economic indicators has been the yield curve, or the difference between long and short-term interest rates. A positive slope (long rates higher than short) has been indicative of economic growth: Since 1926, 13 of 15 expansionary periods have had a positive yield curve.⁴ As shown in the chart, today's steep and positive curve forecasts economic improvement and, perhaps, an increase in stock prices.



Source: FactSet Research Systems, Inc.

Investors may be pessimistic, but in our opinion today is a great time to be hunting for value. Our team continues the search for businesses priced at a fraction of intrinsic worth and with low valuations in relation to earnings, cash flows and book values.

Thank you for your continued trust and confidence.

Your Heartland Investment Team

P.S. As fellow shareholders, we understand the importance of frequent updates about our Funds. Visit the new "Market Insight" section often at www.heartlandfunds.com to read our view.

**INVESTMENT RESULTS AS OF JUNE 30, 2010
AVERAGE ANNUAL TOTAL RETURNS – INVESTOR CLASS SHARES**

	Since Inception	Twenty Years	Ten Years	Five Years	Three Years	One Year	Year-To-Date*
Select Value Fund (HRSVX)	9.44%	—	9.42%	3.46%	-6.40%	22.27%	-5.70%
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
Value Plus Fund (HRVIX)	10.55%	—	10.21%	5.75%	-1.21%	24.12%	1.58%
Russell 2000 Value Index	8.75	—	7.48	-0.51	-9.85	25.07	-1.64
Value Fund (HRTVX)	12.44%	11.98%	9.20%	1.89%	-9.22%	21.00%	-3.81%
Russell 2000 Value Index	10.74	10.28	7.48	-0.51	-9.85	25.07	-1.64

Index Source: FactSet Research Systems, Inc.

*Not Annualized

The inception dates for the Select Value, Value Plus and Value Funds Investor Class Shares are 10/11/96, 10/26/93 and 12/28/84, respectively.

In the prospectus dated 5/1/10, the gross expense ratios for the Heartland Select Value, Value Plus and Value Funds Investor Class shares were 1.27%, 1.21% and 1.18%, 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. 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.

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.

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.

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 to download. Please read the prospectus carefully before investing.

1 *Bloomberg Businessweek*, 6/10/10. 2 *USA Today* Snapshots "Has the stock market seen the worst?" 6/15/10. 3 *The New York Times*, 5/7/10. 4 Leuthold Group. Heartland Funds are distributed by ALPS Distributors, Inc. HLF1991/1010

**THE HEARTLAND
FAMILY OF FUNDS**

Large, Mid & Small-Cap

Select Value Fund

Focused

Designed to be an investor's core value holding

Small-Cap

Value Plus Fund

Focused

Small company value stocks that pay dividends to potentially lower volatility

Small & Micro-Cap

Value Fund

Broadly Diversified

Small and very small value stocks which have historically outperformed