

HEARTLAND SEPARATELY MANAGED ACCOUNTS

SMALL CAP VALUE PLUS STRATEGY

All information, unless otherwise indicated, is as of 6/30/10



PORTFOLIO MANAGEMENT TEAM & INDUSTRY EXPERIENCE

Adam Peck, CFA - 8 yrs
Brad Evans, CFA - 14

Seeks long-term capital appreciation by investing in small, dividend-paying companies

HISTORICAL RETURNS (ANNUALIZED FOR MULTI-YEAR PERIODS) — NET OF FEES VS. BENCHMARK INDICES

	SINCE INCEPTION (11-30-07)	TWO YEAR	ONE YEAR	YEAR-TO DATE	SECOND QUARTER 2010
Heartland Small Cap Value Plus Composite (Net of Advisory Fees)	0.05%	-3.81%	24.08%	1.82%	-7.57%
Russell 2000 Value Index*	-6.71	-3.31	25.07	-1.64	-10.60

Heartland Advisors, Inc. has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). *Source: FactSet Research Systems, Inc. (See Note 7 in the Accompanying Notes on reverse side)

INVESTMENT PHILOSOPHY

The Small Cap Value Plus Strategy primarily invests in companies that have a market capitalization between \$250 million and \$4 billion, with a majority of its assets invested in companies that pay dividends. The Strategy intends to capture the long-term appreciation of small-caps, while minimizing the volatility of returns inherent in the small-cap market.

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 800 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

- 30-60 stocks
- Target 80-90% of portfolio holdings to pay dividends
- Individual stocks usually represent less than 5% of the portfolio
- Industry weightings typically represent less than 25% of the portfolio
- Generally fully invested but may hold cash equivalents during atypical markets
- Moderate turnover

RISK MANAGEMENT

- Consistent discipline of Heartland's 10 Principles of Value Investing™
- Potential margin of safety: Focus on low price-to-earnings 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™

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.

¹Source: FactSet Research Systems, Inc. ²Trailing 12-month actual earnings. ³Weighted median.

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

There is no assurance that dividend-paying stocks will mitigate volatility.

PORTFOLIO CHARACTERISTICS (Equity Securities Only)[†]

	SMALL CAP VALUE PLUS COMPOSITE ¹	RUSSELL 2000 VALUE INDEX ²
Lt Debt/Capital	20.2%	32.4%
P/E ²	16.7x	15.2x
P/CF	8.4	7.4
P/B ³	1.2	1.2
Avg Wgt Mkt Cap	\$1,247 mil	\$844 mil
Median Mkt Cap	\$686 mil	\$363 mil

SECTOR WEIGHTINGS (Equity Securities Only)[†]

	SMALL CAP VALUE PLUS COMPOSITE	RUSSELL 2000 VALUE INDEX ²
Consumer Discretionary	6.0%	9.7%
Consumer Staples	1.5	3.4
Energy	14.1	6.8
Financials	23.0	38.6
Health Care	23.8	5.8
Industrials	12.4	14.0
Information Technology	10.8	9.4
Materials	8.4	5.2
Telecommunication Services	0.0	0.6
Utilities	0.0	6.5
Total	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.

TOP TEN LARGEST HOLDINGS (Equity Securities Only)[†]

COMPANY	% COMPOSITE	INDUSTRY
SM Energy Co.	3.4%	Oil Gas & Consumable Fuels
Chemed Corp.	3.4	Health Care Providers & Services
Omnicare, Inc.	3.1	Health Care Providers & Services
Patterson UTI Energy, Inc.	2.9	Energy Equipment & Services
Unit Corp.	2.8	Energy Equipment & Services
Teleflex	2.8	Health Care Equipment
Sensient Technologies Corp.	2.7	Chemicals
Invacare Corp.	2.6	Health Care Equipment
Micrel, Inc.	2.6	Semiconductors
Robbins & Myers, Inc.	2.6	Machinery

NEW ACCOUNT MINIMUM: \$1,000,000

SMALL CAP VALUE PLUS COMPOSITE DECEMBER 31	NUMBER OF ACCOUNTS	MARKET VALUE \$ MILLIONS	ASSET-WEIGHTED DISPERSION	% OF ASSETS IN WRAP ACCOUNTS	% OF FIRM ASSETS	TOTAL FIRM ASSETS \$ MILLIONS	ANNUAL PORTFOLIO TURNOVER % ¹
2009	8	\$31.6	0.94%	0.0%	1.00%	\$3,156.1	78.1%
2008	8	35.8	0.50	0.0	1.56	2,296.9	88.9

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TOTAL RETURNS AS OF JUNE 30, 2010 • NET OF FEES

ANNUALIZED RETURNS YEAR	SMALL CAP VALUE PLUS COMPOSITE (net of advisory fees)	RUSSELL 2000 VALUE INDEX**
Inception*	0.05%	-6.71%
One	24.08	25.07

CUMULATIVE RETURNS YEAR	SMALL CAP VALUE PLUS COMPOSITE (net of advisory fees)	RUSSELL 2000 VALUE INDEX**
Inception*	0.14%	-16.42%
One	24.08	25.07

ANNUAL RETURNS YEAR	SMALL CAP VALUE PLUS COMPOSITE (net of advisory fees)	RUSSELL 2000 VALUE INDEX**
2009	24.59%	20.58%
2008	-20.81	-28.92

*11-30-07

**See Note 7 in Accompanying Notes

*Excludes Treasury bills, cash, and cash equivalents

Investing in small companies and value stocks presents certain additional risks. While during some periods, the stocks of small companies have performed better than the stocks of large companies, during other periods large cap stocks have outperformed small cap stocks. Stocks of small companies generally are more volatile and may have a smaller public market than stocks of large companies. Small companies may have a shorter history of operations than large companies, may not have the ability to raise capital as easily as large companies, and may have a less diversified product line, making them more susceptible to market pressure. Value investments are subject to the risk that their intrinsic values may never be recognized by the broad market.

ACCOMPANYING NOTES

- Heartland Advisors, Inc. (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.
- For the period from December 1, 2007 through March 31, 2009 verifications and performance examinations were performed by Ashland Partners & Company LLP. Periods after March 31, 2009 have not been examined.
- This composite was created in 2007 and contains fully discretionary equity portfolios primarily invested in companies with market capitalizations between \$250 million and \$4 billion. Beginning December 1, 2007, the minimum account size for this composite is \$1,000,000. 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 \$750,000.
- 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.
- 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 include the reinvestment of all income.
- For comparison purposes, the composite is measured against the Russell 2000 Value Index. 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 is an unmanaged index of stocks considered representative of the small cap market.
- 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.

