

Spring was not kind to international equity markets. From its peak in mid-April, international stocks, as measured by the MSCI EAFE Index<sup>1</sup>, dropped a breathtaking 20% in just five weeks. Over the last five weeks of the quarter, equities made a ragged, tentative recovery. Yet, for the quarter, the Index was off 13.97%. The Scout International Fund also felt the effects of the falling markets, as the Fund's shares were off 12.37% for the quarter, outperforming the benchmark MSCI EAFE Index by 160 basis points.

We believe that markets had much to worry about during the quarter. Fears that the Mediterranean countries would default and reignite a banking crisis persisted until a credible rescue package was fashioned by the European authorities. Even then, worries about the levels of debt at sovereigns around the world continued. The fall in equity markets was mirrored by a rapid rise in the TED spread (three-month LIBOR rate less three month risk free rate — a measure of fear in the markets). During the same five-week period equities were falling dramatically, the TED spread tripled from 15 basis points to 45.

At the same time, leading economic indicators were beginning to roll over. Money growth was surprisingly restrained despite the efforts of major central banks to inject liquidity. The Baltic Freight Index, a measure of the shipping cost for raw materials and other commodities, collapsed by more than 40% from peak to trough. The yield curve, typically steep during economic recovery, began to flatten during the quarter. Numerous mid-level central banks continued to hike interest rates. Central banks in South America (e.g. Brazil, Chile, Peru), in the Pac Rim (e.g. India, Taiwan, Malaysia, South Korea), in Canada and in Norway all tightened monetary policy, signaling a more restrictive monetary environment in coming quarters. Unemployment, especially in the U.S., remained high. Though a lagging indicator, persistent high unemployment is often a harbinger of calls for trade restrictions and other market-killing protectionism. It appears that the markets took note of all this gloom and sold off.

Despite the ill-winds blowing through the markets there were reasons for optimism. Profits continued to surprise as sales began to pick up and margins continued to benefit from cost-cutting. Productivity measures continued to expand in major economies. Inflation, as measured by consumer prices, remained benign for the time being. Major central banks continued to pursue accommodative monetary policies — especially in the U.S., Japan and the UK. Economic growth remains strong in Asia where China, Taiwan, Thailand and Hong Kong all reported double digit GDP growth. In Latin America, Brazil reported 11% growth. Canada's economy is expanding at a healthy 6% clip.

We believe the second quarter was a time for defensive sectors to shine around the world — top performing sectors globally were Consumer Staples, Telecommunication Services and Health Care. The two lagging sectors were Energy and Materials.

The top contributors to the Fund's relative outperformance were holdings in the Information Technology and Financials sectors. Top technology stocks included Telefonaktiebolaget LM Ericsson (NASDAQ: ERIC)<sup>2</sup>; a Swedish manufacturer of telecommunications equipment and Dassault Systemes S.A. (OTC: DAS FP)<sup>2</sup>; a French software company. United Overseas Bank (OTC: UOVEY)<sup>2</sup>; a commercial bank headquartered in Singapore, was the leading contributor to out-performance in the financial sector. The best overall contributor to Fund's relative outperformance was a long-term holding, Cia de Bebidas das Americas (AmBev) (NYSE: ABV)<sup>2</sup>; the biggest brewer of beer in Brazil. The biggest drag on relative performance was Standard Chartered PLC (London: STAN LN)<sup>2</sup>; a British bank that does business almost exclusively in emerging markets, and BP PLC (NYSE: BP)<sup>2</sup>; a British oil company who suffered from a major oil spill in the Gulf of Mexico.

Countries performing well in the Fund included Singapore and the emerging markets of Chile and Korea. The greatest country contribution to Fund's relative outperformance for the quarter came from France and Sweden with performance coming largely from the two tech stocks mentioned above.

In our opinion markets around the world will have much to worry about in the third quarter. Sovereign debt anxieties and budget crises will cast a shadow over the markets. As governments tighten spending they are also likely to place heavier tax burdens on their citizens. Fears of inflation and protectionism remain. Electoral uncertainty in Japan, the United States and other countries is likely to dampen investor enthusiasm. Nevertheless, some powerful forces are providing reasons for optimism. Profits, productivity and monetary stimulus are all providing tailwinds to the markets, which are likely to continue climbing a wall of worry during the remainder of the year. Looking forward, the Fund plans to continue its history of careful, prudent management.

In considering this investment, please keep in mind that foreign investments present additional risks due to currency fluctuations, economic and political factors, government regulations, differences in accounting standards and other factors. Investments in emerging markets involve even greater risks.

*(continued)*

<sup>1</sup>The Morgan Stanley Capital International Europe, Australasia, Far East (MSCI EAFE) index is an arithmetic, market value-weighted average of over 900 securities listed on the stock exchanges of countries in Europe, Australasia and the Far East. The MSCI EAFE Index is an unmanaged index of stocks, bonds or mutual funds. It is not possible to invest directly in an index. Performance returns for the Scout International Fund and MSCI EAFE Index assume that dividends were reinvested for the entire period. Returns for periods greater than one year are compounded average annual rates of return.

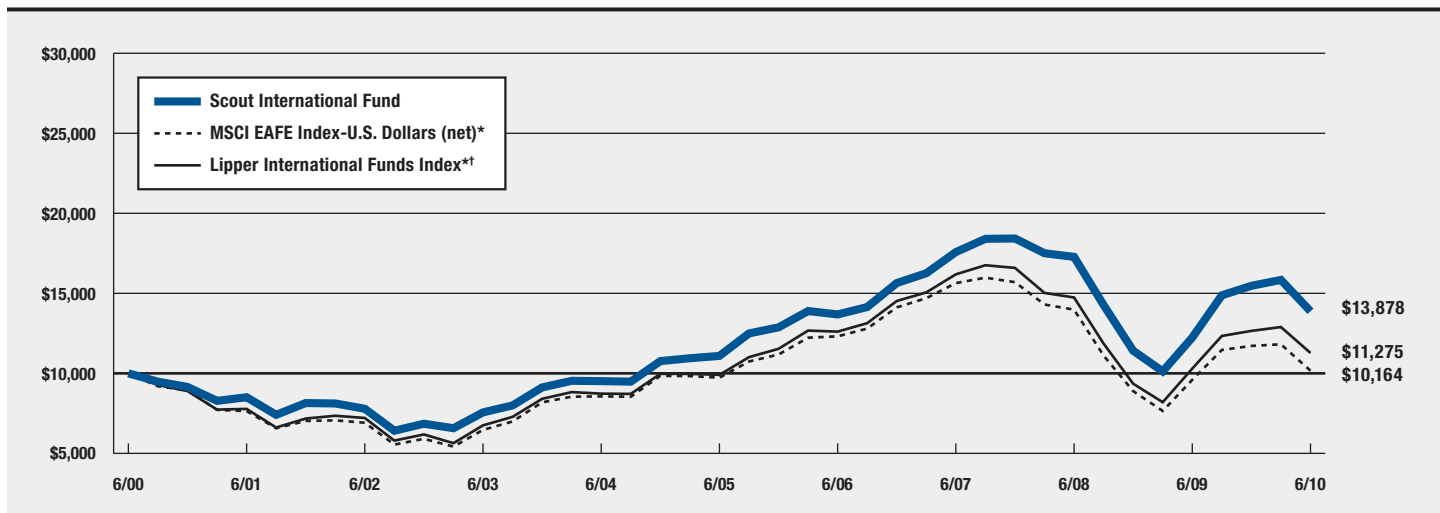
<sup>2</sup>As of June 30, 2010, Telefonaktiebolaget LM Ericsson, Dassault Systemes S.A., United Overseas Bank, Cia de Bebidas das Americas, Standard Chartered PLC and BP PLC represented 1.29%, 1.19%, 2.12%, 1.96%, 1.13% and 0.58% respectively, of the Scout International Fund's total net assets. Portfolio composition will change due to ongoing management of the Fund. References to specific securities or sectors should not be construed as recommendations by the Fund, its Advisor or Distributor.

Please see page 2 for the Scout International Fund's total returns as of June 30, 2010.

# Scout International Fund (UMBWX)

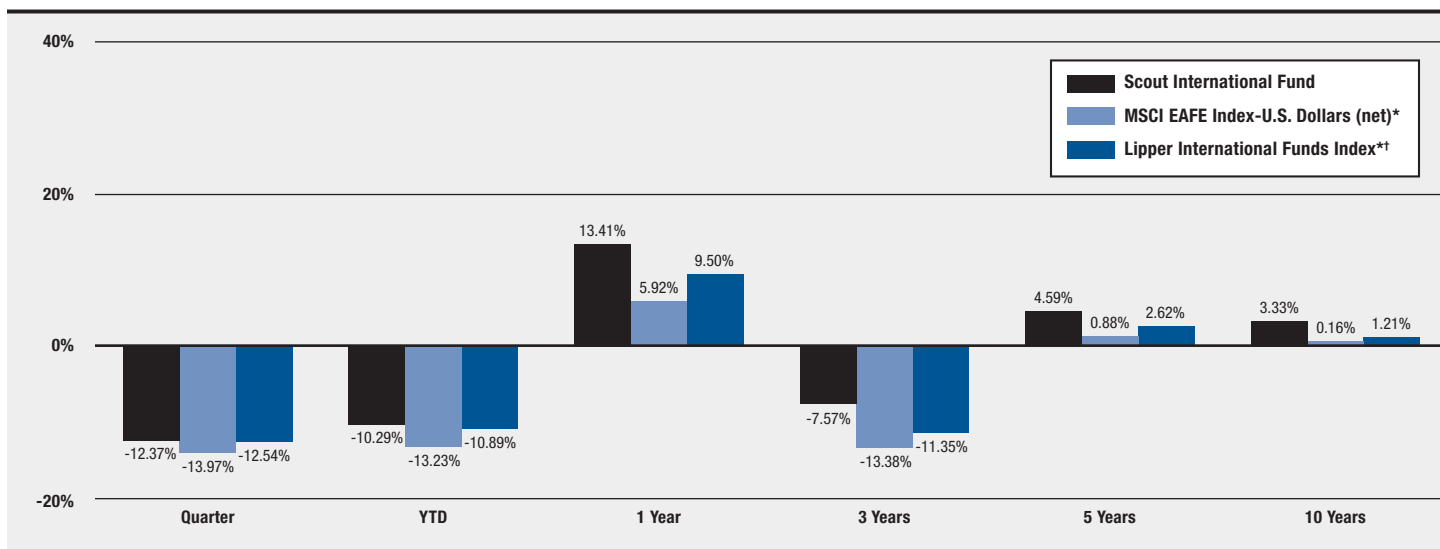
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## HYPOTHETICAL GROWTH OF \$10,000 (UNAUDITED)



For illustrative purposes only; may not represent your returns.

## HISTORICAL PERFORMANCE (UNAUDITED)



	TOTAL RETURNS						Gross Expense 6/30/09	Net Expense 6/30/09
	Quarter	YTD	1 Year	3 Years	5 Years	10 Years		
Scout International Fund	-12.37%	-10.29%	13.41%	-7.57%	4.59%	3.33%	1.02%	1.02%
MSCI EAFE Index-U.S. Dollars (net)*	-13.97%	-13.23%	5.92%	-13.38%	0.88%	0.16%		
Lipper International Funds Index**†	-12.54%	-10.89%	9.50%	-11.35%	2.62%	1.21%		

\* Unmanaged index of stocks, bonds or mutual funds. It is not possible to invest directly in an index.

† The Lipper International Funds Index invests assets in securities with primary trading markets outside the United States.

Performance returns for the Scout International Fund, MSCI EAFE Index-U.S. Dollars and Lipper International Funds Index assume dividends were reinvested for the entire period.

Returns for periods greater than one year are compounded average annual rates of return.

**The performance data quoted represents past performance and past performance is not a guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance information quoted. To obtain performance information current to the most recent month-end, please call 800-996-2862.**

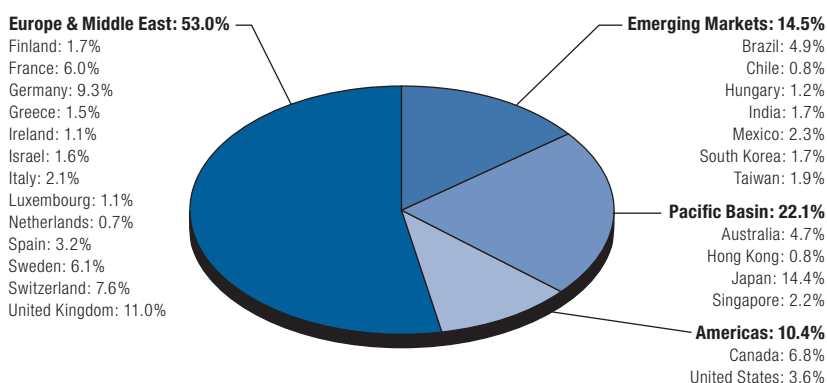
A redemption fee of 2% will be imposed on redemptions or exchanges made within two months of purchase of shares in the Scout International Fund. Please see the Prospectus for more information about the fee and which accounts it applies to.

Gross and net expense ratios as of 12/31/09 were 0.96% and 0.96%, respectively.

## SECTOR ALLOCATION (UNAUDITED)

Relative Portfolio Weight vs. Benchmark		Sector	Scout International*	MSCI EAFE**
	5.5%	Information Technology	10.6%	5.1%
	2.7%	Consumer Staples	13.3%	10.6%
	2.2%	Energy	9.3%	7.1%
	1.3%	Industrials	13.6%	12.3%
	0.4%	Health Care	9.4%	9.0%
	-1.2%	Consumer Discretionary	9.1%	10.3%
	-1.9%	Telecommunication Services	3.7%	5.6%
	-2.2%	Materials	7.9%	10.1%
	-4.4%	Financials	20.0%	24.4%
	-4.7%	Utilities	0.8%	5.5%
-6	-3	0	3	6
Percent				

## REGION/COUNTRY ALLOCATION (UNAUDITED) (as a % of total portfolio equities)



### Portfolio vs. Benchmark

	Scout International	MSCI EAFE**	Difference
Australia	4.7%	8.1%	-3.4%
Austria	0.0%	0.3%	-0.3%
Belgium	0.0%	1.0%	-1.0%
Brazil	4.9%	0.0%	4.9%
Canada	6.8%	0.0%	6.8%
Chile	0.8%	0.0%	0.8%
Denmark	0.0%	1.0%	-1.0%
Finland	1.7%	1.0%	0.7%
France	6.0%	9.8%	-3.8%
Germany	9.3%	7.8%	1.5%
Greece	1.5%	0.3%	1.2%
Hong Kong	0.8%	2.6%	-1.8%
Hungary	1.2%	0.0%	1.2%
India	1.7%	0.0%	1.7%
Ireland	1.1%	0.3%	0.8%
Israel	1.6%	0.9%	0.7%
Italy	2.1%	2.8%	-0.7%
Japan	14.4%	23.2%	-8.8%
Luxembourg	1.1%	0.0%	1.1%
Mexico	2.3%	0.0%	2.3%
Netherlands	0.7%	2.7%	-2.0%
New Zealand	0.0%	0.1%	-0.1%
Norway	0.0%	0.7%	-0.7%
Portugal	0.0%	0.3%	-0.3%
Singapore	2.2%	1.7%	0.5%
South Korea	1.7%	0.0%	1.7%
Spain	3.2%	3.5%	-0.3%
Sweden	6.1%	2.9%	3.2%
Switzerland	7.6%	8.0%	-0.4%
Taiwan	1.9%	0.0%	1.9%
United Kingdom	11.0%	21.0%	-10.0%
United States	3.6%	0.0%	3.6%

## PORTFOLIO CHARACTERISTICS (UNAUDITED)

	Scout International	MSCI EAFE**
Number of Holdings	88	964
Wtd Median Market Cap	27.5b	28.9b
Wtd Avg Market Cap	35.9b	41.2b
5 Year Historical EPS Growth	7.3%	-1.4%
12 Mo Historical P/E (Avg)	18.3	18.0
Price/Book	2.0	2.3
Return on Equity	15.3%	13.0%
Sharpe Ratio (3 Year)†	-0.38	-0.59
R2 (3 Year)†	0.95	1.00
Std Deviation (3 Year)†	23.40%	24.87%
Beta (3 Year)†	0.92	1.00
Alpha (3 Year)†	5.29%	—
Turnover Ratio (Trailing 1 Year)	12%	—
Total Assets (in millions)	\$5,343.7	—
Inception Date	9/14/93	—

## TOP TEN EQUITY HOLDINGS (UNAUDITED)

	Percent of Total Net Assets
United Overseas Bank Ltd.	2.1%
Toronto-Dominion Bank	2.1%
Cia de Bebidas das Americas	2.0%
Mettler-Toledo International, Inc.	1.8%
Fanuc Ltd.	1.7%
Aflac, Inc.	1.7%
Sampo Oyj — A Shares	1.6%
Infosys Technologies Ltd.	1.6%
Royal Bank of Canada	1.6%
HSBC Holdings PLC	1.6%
<b>Top Ten Equity Holdings Total</b>	<b>17.8%</b>

\*Sector holdings do not equal 100% as cash equivalents are not applicable and are based on total net assets.

\*\*Unmanaged index of stocks, bonds or mutual funds. It is not possible to invest directly in an index.

† Measure against the MSCI EAFE Index.

PLC — Public Limited Company

Portfolio composition will change due to ongoing management of the Fund. References to specific securities or sectors should not be construed as a recommendation by the Fund, its Advisor or Distributor.

**INVESTMENT CATEGORY**

- International Large Cap Core

**INVESTMENT OBJECTIVE**

- Long-term growth of capital and income

**INVESTMENT PROCESS**

The Fund invests in a diversified portfolio consisting primarily of equity securities of established companies either located outside the United States or whose primary business is carried on outside the United States. Equity securities include common stocks and depositary receipts (receipts typically issued by banks or trust companies representing ownership interests of securities issued by foreign companies). The Scout International Fund normally invests at least 80% of its net assets in equity securities as described above.



**Portfolio Management Team:** (Left to Right)  
**Michael P. Fogarty, James L. Moffett and Gary N. Anderson**

**LEAD PORTFOLIO MANAGER:****James L. Moffett, CFA**

- Lead portfolio manager since 1993.
- Joined the firm in 1979.
- Bachelor's degree from Harvard University and master's degree from Stanford University.
- More than 40 years of investment management experience.

**CO-PORTFOLIO MANAGER:****Gary N. Anderson, CFA**

- Joined the Advisor in 2000.
- Bachelor's degree and master's degree from the University of Minnesota.
- More than 11 years of investment management experience.

**DIRECTOR OF INTERNATIONAL RESEARCH:****Michael P. Fogarty, CFA, CPA**

- Joined the Advisor in 2002.
- Bachelor's degree from the University of Kansas and master's degree from Washington University.
- More than 21 years of investment management experience.

**Scout** Funds

See Further

Shares of the Scout Funds are not deposits or obligations of, nor guaranteed by, UMB Bank, n.a. or any other banking institution; nor are they insured by the Federal Deposit Insurance Corporation ("FDIC") or any other government agency. These shares involve investment risks, including the possible loss of the principal invested.

*You should consider the Fund's investment objectives, risks, charges and expenses carefully before investing. To obtain a Prospectus, which contains this and other information about the Fund, call 800-996-2862 or visit [scoutfunds.com](http://scoutfunds.com). Please read the Prospectus carefully before investing.*

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