

Quarterly Update

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 depository 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



James L. Moffett, CFA – *Lead Portfolio Manager*

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

Gary N. Anderson, CFA – *Co-Portfolio Manager*

- Joined the firm in 2000
- Bachelor's degree and master's degree from the University of Minnesota
- 13 years of investment experience

Michael P. Fogarty, CFA – *Co-Portfolio Manager*

- Joined the firm in 2002
- Bachelor's degree from the University of Kansas and master's degree from Washington University
- 23 years of investment experience.

Market Review — A Rebound Fueled by News in Europe

The fourth quarter of 2011 provided positive returns amid renewed investor confidence. The quarter opened with international equities, as measured by the MSCI EAFE Index (EAFE), continuing to sell off. However, equity markets got a shot of adrenaline following news of a potential resolution of the European debt crisis. Over the next six weeks, the index reached the heights of late July. Then, European news turned sour and markets sold off sharply. The quarter came to an end with a mix of better-than-expected economic news from the U.S. and signs that European leaders and the European Central Bank (ECB) were again working together. This helped the EAFE close the year with a strong move.

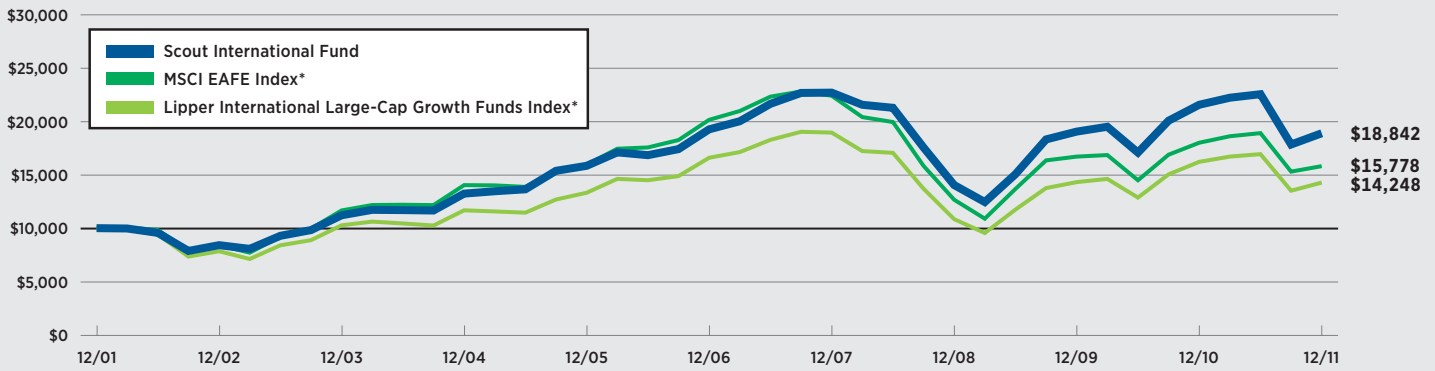
Overall, performance of stock markets around the world was driven by perceptions about the Eurozone debt crisis. Centered in the southern European countries of Portugal, Italy, Greece and Spain, the problem festered for much of 2011. The issue is that these countries had spent public money far beyond their ability to pay for spending through tax collection and were in danger of default. Leaders from France, Germany and other Eurozone countries met often with the International Monetary Fund (IMF), the ECB and other institutions to create and execute a plan to restore solvency to debt-laden countries.

Other issues during the quarter included a slowdown in China. Japan's economy, the third largest in the world, also reported weakness as industrial production, household income and retail sales all weakened year-over-year. News from the Middle East caused concern as civil unrest erupted in Syria, Egypt and Yemen. Saber rattling over Iran's nuclear aspirations and a change of regime in North Korea also increased anxiety that was also reflected in a flight to the dollar. The U.S. dollar appreciated 8% against other major currencies from the end of August through the end of the year.

Another bit of good news during the quarter was that central banks (US Federal Reserve, Bank of Japan, Bank of England, etc.) were highly accommodative. The European Central Bank cut its key lending rate twice during the quarter. By the fourth quarter nearly every central bank in the world was either holding rates steady or was cutting rates. Inflation outside the U.S. began to show signs of abating. Corporate earnings began to slow some, but were still healthy. Corporate balance sheets were looking good as cash balances and retained earnings rose and debt levels declined. Valuations at

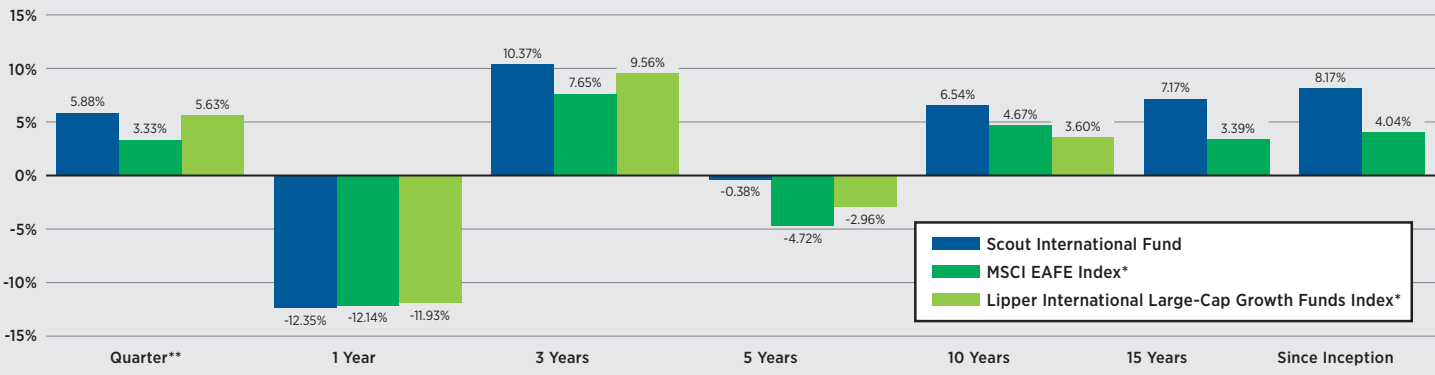
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Hypothetical Growth of \$10,000



For illustrative purposes only; may not represent your returns.

Average Annual Total Returns



	Average Annual Total Returns							Gross Expense	Net Expense
	Quarter**	1 Year	3 Years	5 Years	10 Years	15 Years	Since Inception		
Scout International Fund	5.88%	-12.35%	10.37%	-0.38%	6.54%	7.17%	8.17%	0.94%	0.94%
MSCI EAFE Index*	3.33%	-12.14%	7.65%	-4.72%	4.67%	3.39%	4.04%		
Lipper International Large-Cap Growth Funds Index*	5.63%	-11.93%	9.56%	-2.96%	3.60%	N/A	N/A		

The Fund's inception date was Sept. 14, 1993.

* Unmanaged index of stocks, bonds or mutual funds. It is not possible to invest directly in an index. The Morgan Stanley Capital International Europe, Australasia, Far East Index (MSCI EAFE) 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 Lipper International Large-Cap Growth Funds Index consists of Funds that, by portfolio practice, invest at least 75% of their equity assets in companies strictly outside of the U.S. with market capitalizations (on a three-year weighted basis) above Lipper's international large-cap floor. International large-cap growth funds typically have an above-average price-to-cash flow ratio, price-to-book ratio, and three-year sales-per-share growth value compared to their large-cap-specific subset of the S&P/Citigroup World ex-U.S. BMI.

** Returns for periods less than one year are not annualized.

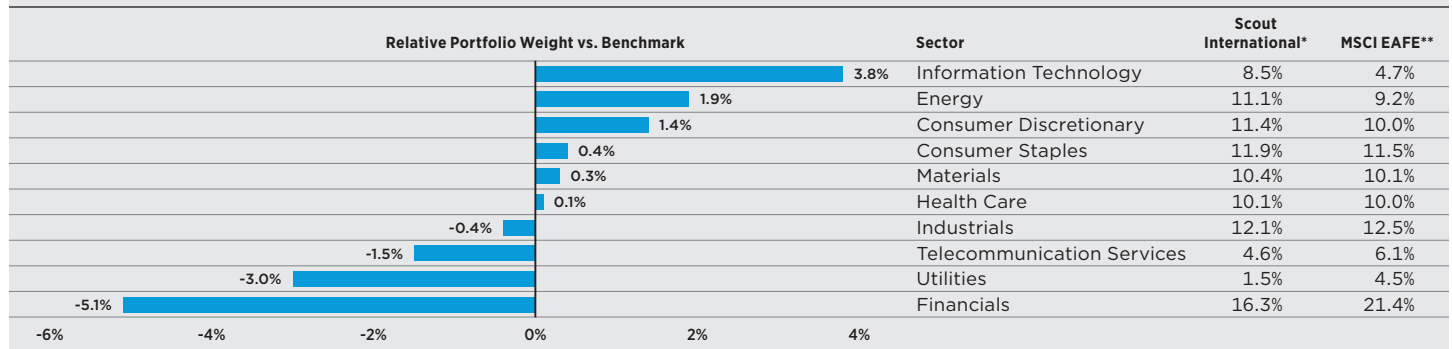
Performance returns for the Scout International Fund, MSCI EAFE Index and Lipper International Large-Cap Growth Funds Index assume dividends were reinvested for the entire period.

Gross and net expense ratios are as of the most recent Prospectus dated 10/31/11.

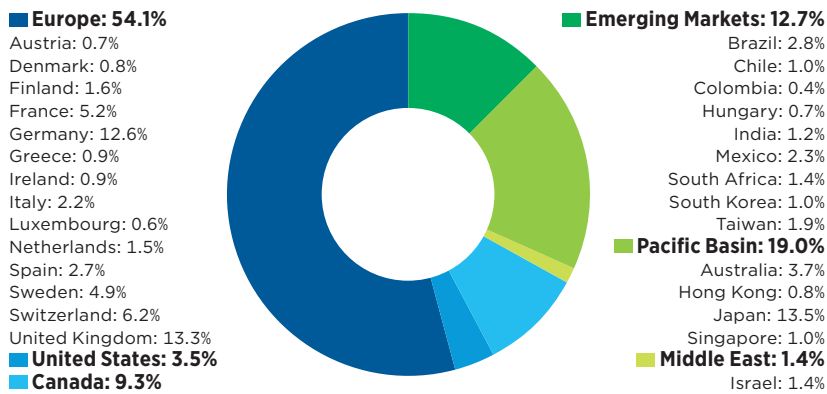
The performance data quoted represents past performance and is not a guarantee of future results. Investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or 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.

Sector Allocation



Region/Country Allocation (as a % of total portfolio equities)



Portfolio vs. Benchmark	Scout International	MSCI EAFE**	Difference
Australia	3.7%	8.5%	-4.8%
Austria	0.7%	0.2%	0.5%
Belgium	0.0%	1.0%	-1.0%
Brazil	2.8%	0.0%	2.8%
Canada	9.3%	0.0%	9.3%
Chile	1.0%	0.0%	1.0%
Colombia	0.4%	0.0%	0.4%
Denmark	0.8%	1.1%	-0.3%
Finland	1.6%	0.8%	0.8%
France	5.2%	8.8%	-3.6%
Germany	12.6%	7.8%	4.8%
Greece	0.9%	0.1%	0.8%
Hong Kong	0.8%	2.8%	-2.0%
Hungary	0.7%	0.0%	0.7%
India	1.2%	0.0%	1.2%
Ireland	0.9%	0.3%	0.6%
Israel	1.4%	0.7%	0.7%

Portfolio vs. Benchmark	Scout International	MSCI EAFE**	Difference
Italy	2.2%	2.1%	0.1%
Japan	13.5%	21.5%	-8.0%
Luxembourg	0.6%	0.5%	0.1%
Mexico	2.3%	0.0%	2.3%
Netherlands	1.5%	1.9%	-0.4%
New Zealand	0.0%	0.1%	-0.1%
Norway	0.0%	0.9%	-0.9%
Portugal	0.0%	0.2%	-0.2%
Singapore	1.0%	1.6%	-0.6%
South Africa	1.4%	0.0%	1.4%
South Korea	1.0%	0.0%	1.0%
Spain	2.7%	3.2%	-0.5%
Sweden	4.9%	3.0%	1.9%
Switzerland	6.2%	8.7%	-2.5%
Taiwan	1.9%	0.0%	1.9%
United Kingdom	13.3%	23.5%	-10.2%
United States	3.5%	0.0%	3.5%

Portfolio Characteristics

	Scout International	MSCI EAFE**
Number of Holdings	100	924
Weighted Median Market Cap	\$30.6B	\$29.2B
Weighted Average Market Cap	\$41.3B	\$47.1B
5 Year Historical EPS Growth	5.6%	-0.6%
12 Mo Historical P/E (Avg)	13.5	16.2
Price/Book	1.8	1.0
Return on Equity	13.9%	11.9%
Sharpe Ratio (3 Year)†	0.46	0.33
R2 (3 Year)†	0.94	1.00
Standard Deviation (3 Year)†	22.06%	22.75%
Beta (3 Year)†	0.94	1.00
Alpha (3 Year)†	2.97%	—
Turnover Ratio (Trailing 1 Year)	15%	—
Total Assets (in millions)	\$6,979.8	—
Inception Date	9/14/93	—

Top 10 Equity Holdings

	Percent of Total Investments
Toronto-Dominion Bank	2.0%
Enbridge, Inc.	1.7%
Komatsu Ltd.	1.6%
Sampo Oyj	1.6%
Inditex S.A.	1.5%
BG Group PLC	1.5%
FANUC Corp.	1.5%
Aflac, Inc.	1.5%
Bayer A.G.	1.4%
Barclays PLC	1.4%
Top 10 Equity Holdings Total	15.7%

PLC — Public Limited Company

*Sector holdings may not equal 100% as cash equivalents are not applicable.

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

† Measured against the MSCI EAFE Index.

Market Cap is the total dollar market value of all of a company's outstanding shares. **EPS (earnings per share)** is a rough measurement of the amount of a company's profit that can be allocated to one share of its stock. **12 Mo Historical P/E ratio** is the ratio of a stocks' latest closing price to its per share earnings over the last 12 months. **Price/Book** is a ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share. **Return On Equity** is the amount of net income returned as a percentage of shareholders equity. **The Sharpe Ratio** uses a fund's standard deviation and its excess return (the difference between the fund's return and the risk-free return of 90-day Treasury Bills) to determine reward per unit of risk. **R squared** reflects the percentage of a fund's movement that are explained by movements in its benchmark index. **Standard Deviation** is a calculation used to measure variability of a portfolio's performance. **Beta** is a measure of the funds sensitivity to market movements. A portfolio with a beta greater than 1 is more volatile than the market and a portfolio with a beta less than 1 is less volatile than the market. **Alpha** is the measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha. **Turnover Ratio** is the percentage of a mutual fund's holdings that have been "turned over" or replaced with other holdings in a given year.

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.

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the end of the quarter were very appealing in markets around the world. Dividend yields in many markets were at multi-year highs and P/E ratios were at multi-year lows. Positive economic news from the U.S., though not strong, signaled that economic recovery and vitality was still to be found. Growth in indicators such as gross domestic product (GDP), industrial production and even housing starts were bright spots.

Contributors and Detractors — Financials Led the Way in a Strong Quarter

We outpaced our benchmark for the quarter by a wide margin with well-balanced performance across the portfolio. Being underweight Europe and Asia and overweight North America helped our results. All 10 economic sectors made a positive return contribution to outperformance. The biggest relative negatives for the quarter were our holdings in cash and a near double-weighting in information technology stocks, as the technology sector trailed the rise of the overall international equities market.

Aflac was the single biggest individual stock contributor to the portfolio's quarterly results. The world's largest provider of policies supplementing work and government health coverage, Aflac has about three-quarters of its operations in Japan. The company's sales and earnings have done well since Japan's March 2011 tsunami and earthquake.

During the quarter even the weakest sector in the portfolio, materials, also outpaced the EAFE materials sector. We saw weakness in our holdings in the U.K., Austria, Australia, Hong Kong and Singapore. Austria's Erste Bank was one our worst performing stocks for the quarter in terms of both absolute return and impact on the overall portfolio. The bank was impacted by financial policies in Hungary, and we sold our position during the period.

Japan was the strongest performing country in the portfolio for the quarter, followed by Canada, Germany and Italy. We did have some weak stocks in Japan, such as liquid crystal display manufacturer Nitto Denko Corp. As energy prices rebounded above \$100 a barrel, the Fund benefited from some of the holdings in Europe in this sector.

As in other quarters this was due to underweighting the country and picking stocks that outperformed the EAFE such as construction equipment maker Komatsu and Fanuc, a robotics manufacturer. New stocks in the portfolio include Ecopetrol, a Columbian oil producer, Core Laboratories, a Dutch oil services company, Merck Kgaa, a German pharmaceuticals company and JGC, a Japanese engineering firm. We also eliminated BMW during the quarter, the German auto maker.

Outlook — The New World Has More Appeal than The Old

Although the sovereign debt crisis continues to fester and many economies are slowing, growth has not evaporated around the world. Many emerging markets are facing challenges, especially China. Domestic demand growth there is still expected to exceed many developed markets. However, it may not be enough to compensate for a drop in export markets. Authorities in China have often been able to manage growth. This has become more difficult in an economy that is twice as large as it was not too long ago.

There are multiple reasons for optimism. Central banks around the world remain accommodative, inflation fears recede and corporations continue to maintain sound balance sheets and achieve respectable earnings. Valuations are appealing. The U.S. economy is showing signs of life, along with Canada, Mexico and other economies far from the European crisis. We have long believed that there are many parts of the world that offer long-term growth potential and we remain well-diversified geographically and across sectors.

While Europe may again be a psychological driver of markets, our investment strategy will continue to be guided by a long-term term, balanced and fundamental approach to investing in companies, not countries. We see the months ahead as an opportunity to pursue equities across the world with care and prudence.

Risk Considerations: 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.

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As of Dec. 31, 2011, Aflac Inc., Komatsu, Fanuc, Ecopetrol, Merck Kgaa, JGC, BMW and Erste Bank represented 1.5%, 1.6%, 1.5%, 0.4%, 0.9%, 0.7%, 0.0% and 0.0% of Scout International Fund's total net assets. Portfolio composition will change due to ongoing management of the Fund. References to specific securities should not be construed as recommendations by the Fund, its Advisor or Distributor.

Please see page 2 for the Scout International Fund's average annual total returns as of Dec. 31, 2011.

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. Please read the Prospectus carefully before investing.

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