



The rally in international markets that started at the beginning of February petered out as we came toward the end of April. European government debt worries, combined with profit misses by some large corporations like Nokia and ABB, caused investors to turn more cautious. By the end of the second quarter, the MSCI SMID EAFE Index¹ had reversed some of the losses but still managed to decrease in value by 11.79%. The Scout International Discovery Fund fared slightly better and provided a negative return of 10.28%, outperforming the Index.

Once again Greece, the sovereign symbol of a system under stress, hogged the main headlines for the quarter. The earlier promise of a rescue orchestrated by the IMF and opposed by many German taxpayers was not quite enough to assuage investors and on April 27, 2010, S&P slashed its rating of Greek government bonds. The company soon also downgraded the debt of Portugal and Spain and, amid scenes of mayhem on the streets of Athens, the BE500 (Bloomberg European 500) Index² plunged almost 15% in the weeks after the announcement. This was the equivalent of over 20% in U.S. dollar terms as the Euro also bore much of the burden. Even the move by Eurozone members to double the rescue package and to establish a European Financial Stability Facility did little stop the rout.

A number of large economies were busy on the political front during the second quarter. Japan is becoming reminiscent of Italy and has now selected its sixth Prime Minister in four years, Naoto Kan. The ruling Labour Party in Australia unceremoniously dumped its once shining star, Kevin Rudd, after supporters lost confidence in his ability to push through legislation which included a mining "super profits" tax. He was replaced by Julia Gillard. In May, the UK ended up with a new governing coalition and David Cameron as Prime Minister. And, in an ongoing attempt to reign in debt, the Chancellor of the Exchequer introduced an emergency budget which included a new tax on banks. Although this should be offset to some degree by a decrease in the corporate tax rate, it does indicate the intention of the political classes around the world to continue taking a closer look at how the finance industry is regulated.

The macro-economic picture for major western economies provides a divergence from the bottom-up standpoint. While leading economic indicators are peaking and a banking crisis is still a worry in Europe, analyst projections for company earnings remain strong. Inflation is subdued in most developed areas and some central banks in emerging markets were even confident enough to raise interest rates. China is still trying to engineer a soft landing, particularly in the housing market where the government imposed new curbs on speculation by increasing downpayment terms. Second homes now require a minimum 50% downpayment. The trade row that was brewing between China and the U.S. over the strength of

the yuan subsided in the middle of June when China announced that it would resume making the currency more flexible, meaning the yuan will probably revalue gradually versus the dollar after a 23-month hiatus. This is unlikely, however, to stoke the much-vaunted awakening of the Chinese consumer.

In such a down market it is probably no surprise that Consumer Staples was the best performing sector in the MSCI SMID EAFE Index. However, the two best performing sectors on a relative basis for the Fund were Industrials and Financials. This relative outperformance was helped by stocks like Capita Group PLC (London: CPI LN)³ (a business process outsourcer in the UK), Wing Hang Bank Ltd. (OTC: WGHGY)³ (a small Hong Kong based financial institution), Banco Santander Chile (NYSE: SAN)³ (the largest bank in Chile) and AMEC PLC (London: AMEC LN)³ (a UK based engineering consultant). Consumer Staples, in fact, was the worst performing relative sector for the quarter. This was the result mainly of declines in two holdings, Central European Distribution Corp. (NASDAQ: CEDC)³ (a Polish drinks distributor) and Shoppers Drug Mart Corp. (Toronto: SC CN)³ (a Canadian drugstore retailer). The former suffered a profit warning during April while Shoppers Drug Mart Corp. saw its stock drop with the announcement that the Ontario government was going to slash \$1 billion in funding tied to generic prescriptions. The Fund was underweight in the UK during the quarter. In spite of this, UK stock selection managed to provide the greatest relative outperformance for the period. The Fund's underweight in Japan appears to have been the greatest drag on relative performance as Japan slightly outperformed the MSCI SMID EAFE Index.

As the second half of the year unfolds it looks likely that the world's large economies will avoid a "double-dip" recession, assuming no major shocks. Relatively low interest rates should still encourage economic activity. Corporations are cash-rich and willing to spend in a time when capital stock has become depleted. All this should help drive growth in the near term, even if it is not stellar.

In considering this investment, please keep in mind that foreign investments present additional risks due to currency fluctuations, economic and political factors, lower liquidity, government regulations, differences in securities regulations and accounting standards, possible changes in taxation, limited public information and other factors. The risks are magnified in countries with emerging markets, since these countries may have relatively unstable governments and less established markets and economies. Small Cap stocks are more susceptible to market volatility because smaller companies may not have the management experience, financial resources, product diversification and competitive strengths of larger companies. Additionally, smaller company stocks tend to be sold less often and in smaller amounts than larger company stocks.

(continued)

¹The Morgan Stanley Capital International Europe, Australasia, Far East Small/Mid-Cap Core Fund Index (MSCI EAFE SMID) is a free float-adjusted market capitalization index that is designed to measure the equity of the Mid and Small Cap market performance of developed markets, excluding the US & Canada. The MSCI EAFE SMID 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 Discovery Fund and MSCI EAFE SMID Index assume that dividends were reinvested for the entire period. Returns for periods greater than one year are compounded average annual rates of return.

²The Bloomberg European 500 Index is a free float capitalization-weighted index of the 500 most highly capitalized European companies.

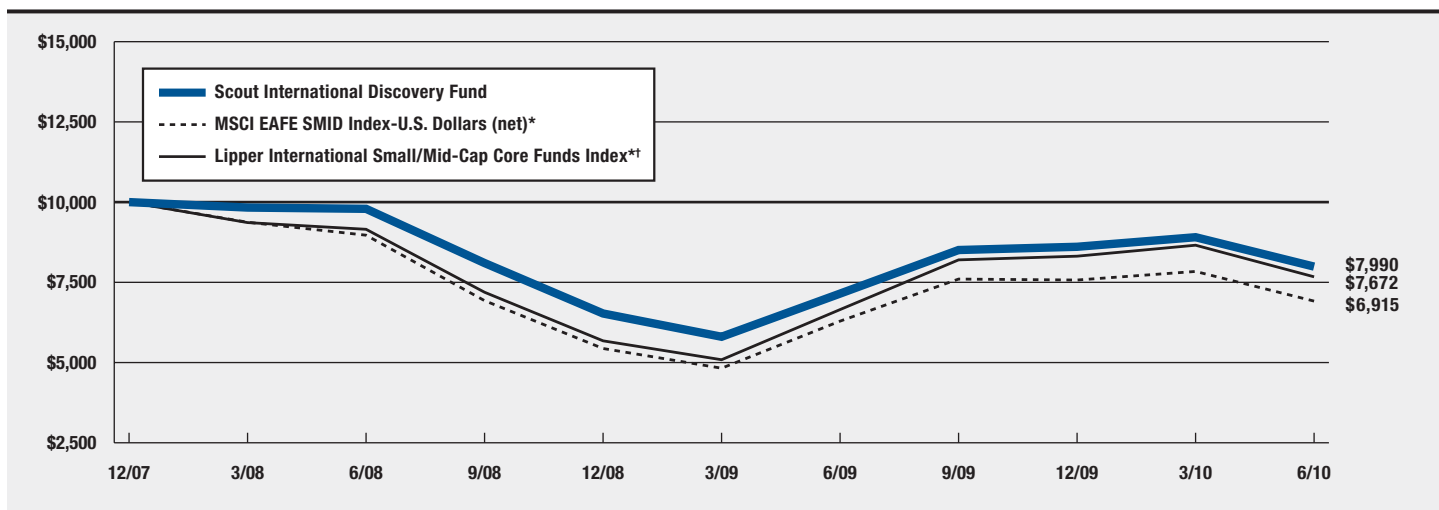
³As of June 30, 2010, Capita Group PLC, Wing Hang Bank Ltd., Banco Santander Chile, AMEC PLC, Central European Distribution Corp. and Shoppers Drug Mart Corp. represented 1.57%, 2.64%, 2.37%, 1.21%, 0.77% and 1.00% respectively, of the Scout International Discovery Fund's total net assets. Portfolio 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 Discovery Fund's total returns as of June 30, 2010.

Scout International Discovery Fund (UMBDX)

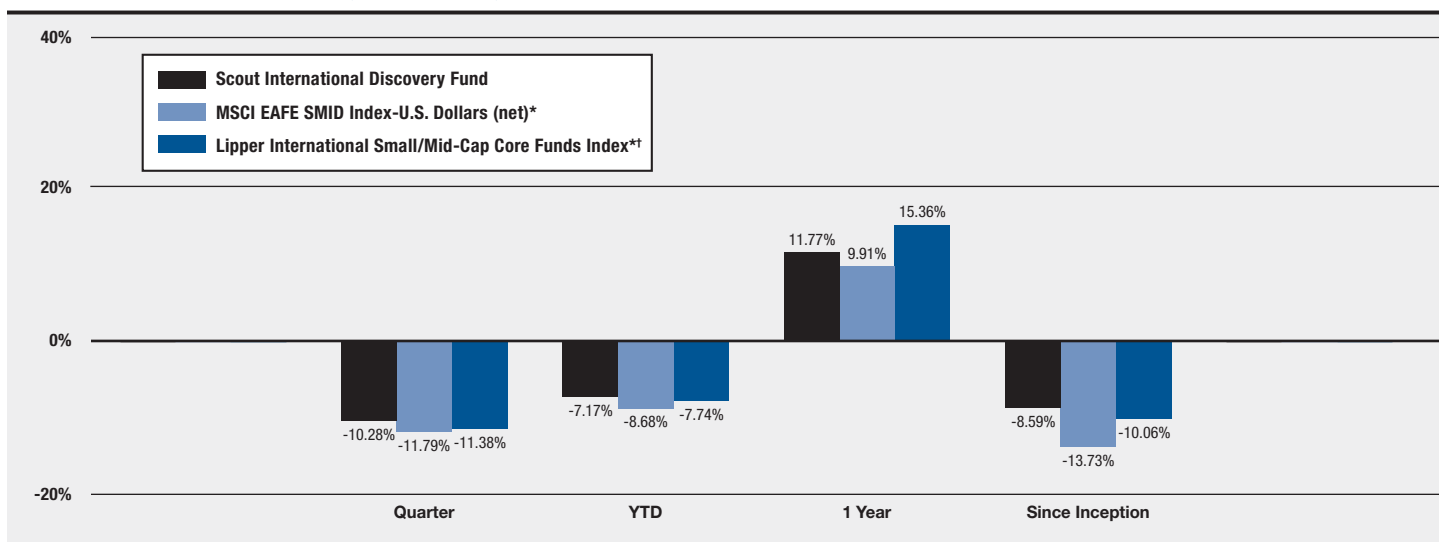
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HYPOTHETICAL GROWTH OF \$10,000 (UNAUDITED)



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	Since Inception		
Scout International Discovery Fund	-10.28%	-7.17%	11.77%	-8.59%	3.29% ⁽¹⁾	1.62% ⁽¹⁾
MSCI EAFE SMID Index-US Dollars (net)*	-11.79%	-8.68%	9.91%	-13.73%		
Lipper International Small/Mid-Cap Core Funds Index**	-11.38%	-7.74%	15.36%	-10.06%		

The Fund's inception date was December 31, 2007.

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

† The Lipper International Small/Mid-Cap Core Funds Index invests in 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) less than the 250th largest.

⁽¹⁾ Scout Investment Advisors, Inc. has entered into an agreement to limit the fees and/or make expense payments through October 31, 2011 so that actual total annual fund operating expenses of the Scout International Discovery Fund does not exceed 1.60%. The expense ratios noted in the table above include "Acquired Fund Fees and Expenses," as required by applicable rules, and therefore, may be higher than the expense cap previously noted.

Performance returns for the Scout International Discovery Fund, MSCI EAFE SMID Index-U.S. Dollars and Lipper International Small/Mid-Cap Core 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. The performance returns for the Fund reflect a fee waiver in effect. In absence of such waiver, the returns would be reduced.

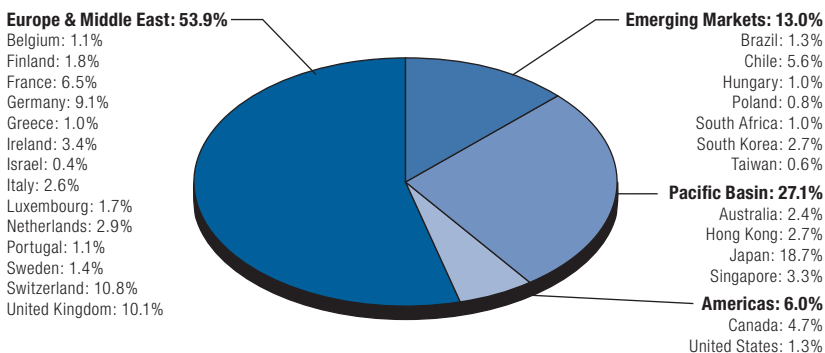
A redemption fee of 2% will be imposed on redemptions or exchanges made within two months of purchase of shares in the Scout International Discovery Fund. Please see the Prospectus for more information about the fee and which accounts it applies to.

Gross and net expense ratios as of 12/31/09 were 2.04% and 1.60%, respectively.

SECTOR ALLOCATION (UNAUDITED)

Relative Portfolio Weight vs. Benchmark		Sector	Scout Int'l Discovery*	MSCI EAFE SMID**
	3.8%	Miscellaneous	3.8%	0.0%
	3.5%	Consumer Staples	9.8%	6.3%
	2.7%	Industrials	25.8%	23.1%
	1.2%	Health Care	7.6%	6.4%
	0.8%	Energy	5.0%	4.2%
	0.4%	Information Technology	7.8%	7.4%
	-0.1%	Telecommunication Services	1.6%	1.7%
	-2.1%	Utilities	0.6%	2.7%
	-2.7%	Materials	9.0%	11.7%
	-4.7%	Financials	14.7%	19.4%
	-4.9%	Consumer Discretionary	12.2%	17.1%

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



Portfolio vs. Benchmark

	Scout Int'l Discovery	MSCI EAFE SMID**	Difference
Australia	2.4%	8.0%	-5.6%
Austria	0.0%	1.0%	-1.0%
Belgium	1.1%	1.8%	-0.7%
Brazil	1.3%	0.0%	1.3%
Canada	4.7%	0.0%	4.7%
Chile	5.6%	0.0%	5.6%
Denmark	0.0%	1.2%	-1.2%
Finland	1.8%	2.2%	-0.4%
France	6.5%	6.8%	-0.3%
Germany	9.1%	5.0%	4.1%
Greece	1.0%	1.0%	0.0%
Hong Kong	2.7%	2.6%	0.1%
Hungary	1.0%	0.0%	1.0%
Ireland	3.4%	0.8%	2.6%
Israel	0.4%	0.9%	-0.5%
Italy	2.6%	2.4%	0.2%
Japan	18.7%	26.5%	-7.8%
Luxembourg	1.7%	0.0%	1.7%
Netherlands	2.9%	2.9%	0.0%
New Zealand	0.0%	0.6%	-0.6%
Norway	0.0%	1.4%	-1.4%
Poland	0.8%	0.0%	0.8%
Portugal	1.1%	0.5%	0.6%
Singapore	3.3%	2.2%	1.1%
South Africa	1.0%	0.0%	1.0%
South Korea	2.7%	0.0%	2.7%
Spain	0.0%	1.8%	-1.8%
Sweden	1.4%	4.9%	-3.5%
Switzerland	10.8%	4.9%	5.9%
Taiwan	0.6%	0.0%	0.6%
United Kingdom	10.1%	20.6%	-10.5%
United States	1.3%	0.0%	1.3%

PORTFOLIO CHARACTERISTICS (UNAUDITED)

	Scout Int'l Discovery	MSCI EAFE SMID**
Number of Holdings	77	2,893
Wtd Median Market Cap	\$4,730m	\$2,740m
Wtd Avg Market Cap	\$6,020m	\$3,480m
5 Year Historical EPS Growth	9.8%	2.2%
12 Mo Historical P/E (Avg)	18.2	24.4
Price/Book	2.0	2.4
Return on Equity	15.3%	9.4%
Sharpe Ratio (30 month) [†]	-0.39	-0.50
R2 (30 month) [†]	0.95	1.00
Std Deviation (30 month) [†]	24.02%	28.77%
Beta (30 month) [†]	0.82	1.00
Alpha (30 month) [†]	2.52%	—
Turnover Ratio (Trailing 1 Year)	26%	—
Total Assets (in millions)	\$23.2m	—
Inception Date	12/31/07	—

TOP TEN EQUITY HOLDINGS (UNAUDITED)

	Percent of Total Net Assets
Wing Hang Bank Ltd.	2.6%
Ryanair Holdings PLC	2.6%
United Overseas Bank Ltd.	2.4%
Banco Santander Chile	2.4%
SMC Corp.	2.2%
Japan Smaller Capitalization Fund, Inc. CEF	2.2%
Willis Group Holdings Ltd.	2.0%
Nidec Corp.	2.0%
SGS S.A.	1.9%
Koninklijke Vopak N.V.	1.9%
Top Ten Equity Holdings Total	22.2%

* 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.

CEF — Closed End Fund

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 Small/Mid Cap Core

INVESTMENT OBJECTIVE

- Long-term growth of capital

INVESTMENT PROCESS

The Fund invests primarily in equity securities of smaller and mid-sized companies that are either located outside the United States or whose primary business is carried on outside the United States. Equity securities include common stocks, depositary receipts (receipts typically issued by banks or trust companies representing ownership of equity securities issued by foreign companies), rights, warrants, and securities convertible into common stocks. The Fund normally invests at least 80% of its net assets in equity securities as described above. Smaller and mid-sized companies are companies with market capitalization (share price multiplied by number of shares outstanding), at the time of purchase, between \$500 million and \$17 billion.



Portfolio Management Team: (Left to Right)
Michael D. Stack, James L. Moffett and Michael P. Fogarty

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:**Michael D. Stack, CFA**

- Joined the Advisor in 2006.
- Bachelor's degree from University College Dublin and master's degree from Columbia Business School.
- More than 14 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. Please read the Prospectus carefully before investing.

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