

Small cap equities surrendered their gains for the year during the second quarter as investors questioned the sustainability of the economic recovery. As demand for riskier assets waned, volatility climbed and credit spreads widened, creating headwinds for smaller capitalization issues. Although losses were broad based, higher quality stocks appeared to be more resilient. Stocks in companies with no earnings declined over 18% during the quarter and companies within the bottom quintile sorted by returns on equity declined 16% compared to 7% declines for those in the top quintile. Balance sheet strength did not appear to be a factor as traditionally defensive sectors that carry more leverage (Staples, Utilities and REITs) showed smaller losses. Ultimately, we believe that stock selection mattered more to Scout Small Cap Fund's performance than sector selection during the quarter.

The Consumer Discretionary sector, seemingly a big winner in the first quarter, reversed course in the second quarter declining in excess of 13% for the Fund's benchmark, the Russell 2000 Index.¹ Fortunately, we were able to realize a significantly smaller loss (8%) in an overweighted sector during the quarter through stock selection. It seems that low consumer confidence, lingering unemployment, and poor housing data caused investors to doubt growth expectations for the sector. While the consumer does appear to be in a tough position, it looks as if demand still exists for innovative products and goods consumers need to function in their daily lives. Tempur-Pedic International, Inc. (NYSE: TPX)² was the biggest contributor to sector performance during the quarter driven by a new product cycle for a softer bed. Monro Muffler Brake, Inc. (NASDAQ: MNRO)² gained as Americans may be choosing to spend more on maintaining their existing cars rather than purchasing a new model. Within the footwear category, new trends have emerged within running, boots and toning shoes that are garnering strong consumer interest. Despite exceeding earnings expectations by a wide margin, Finish Line, Inc. (NASDAQ: FINL)² was a drag on the Fund's relative performance during the quarter. Cash accounts for nearly 1/3 of Finish Line, Inc.'s market capitalization and trades at just over 7 times this year's expected earnings ex-cash. We believe this footwear retailer is showing marked improvement in margins, benefits from the trends within the category and is attractively priced leaving us with prospects for longer-term appreciation despite the poor quarter of relative performance and negative investor sentiment toward the sector.

The Fund's holdings within the Information Technology sector outperformed relative to the benchmark. Three major holdings within the Fund including Omnivision

Technologies, Inc. (NYSE: OVTI)², Cirrus Logic, Inc. (NASDAQ: CRUS)² and Skyworks Solutions, Inc. (NASDAQ: SWKS)², each providing content to Apple, Inc. The launch of a new mobile phone and the introduction of the iPad provided a major catalyst to these names. Emerging technologies involving videoconferencing, reduced power consumption, and higher bandwidth applications involving data and video should continue to evolve despite the economy. Negatively, Plexus Corp. (NASDAQ: PLXS)², a contract manufacturer, provided the biggest drag to the Fund's performance despite a strong earnings report and a solid outlook.

Issues within the Financials sector performed better for the Fund relative to the benchmark during the quarter. Portfolio Recovery Associates, Inc. (NASDAQ: PRAA)² was a top contributor to overall performance as the company benefitted from Americans working to repair their credit records and the amount of charged off consumer paper remains abundant at attractive prices. Although we continue to maintain an underweight in the sector, the Fund's exposure was increased during the quarter. Consolidation within the banking sector continues and we foresee regional banks benefitting from fewer net charge offs on loans, solid capital positions and a favorable yield curve for lending.

Energy declined 2% during the quarter, performing well relative to the benchmark Russell 2000 Index¹, which lost nearly 14%. The proposed acquisition of the Fund's holding Mariner Energy, Inc. (NYSE: ME)² by Apache Corp. (NYSE: APA)² contributed to absolute performance. SM Energy Co. (NYSE: SM)², a diversified oil and gas producer, benefited from improved production prospects despite lower energy prices. Complications in the Gulf of Mexico should lead to increased energy production within inland U.S. near term and overall our holdings should benefit.

Health care companies performed below expectations during the quarter. We believe that politics surrounding home health care companies proved to be a detriment to holding Amedisys, Inc. (NASDAQ: AMED)². Despite saving the government significant sums of money relative to hospitals, home health companies have become the ire of the Senate finance committee regarding past practices. Moreover, concerns over government spending have become more of an issue alongside health care reform creating uncertainty within the healthcare industry. Demographics have shifted towards increased medical spending which should provide increased business for companies within the health care sector.

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¹ The Russell 2000[®] Index consists of the smallest 2000 securities in the Russell 3000 Index representing approximately 11% of the Russell 3000 total market capitalization. Widely regarded in the industry as the premier measure of small capitalization stocks. The Russell 2000 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 Small Cap Fund and Russell 2000[®] Index assume that dividends were reinvested for the entire period. Returns for periods greater than one year are compounded average annual rates of return.

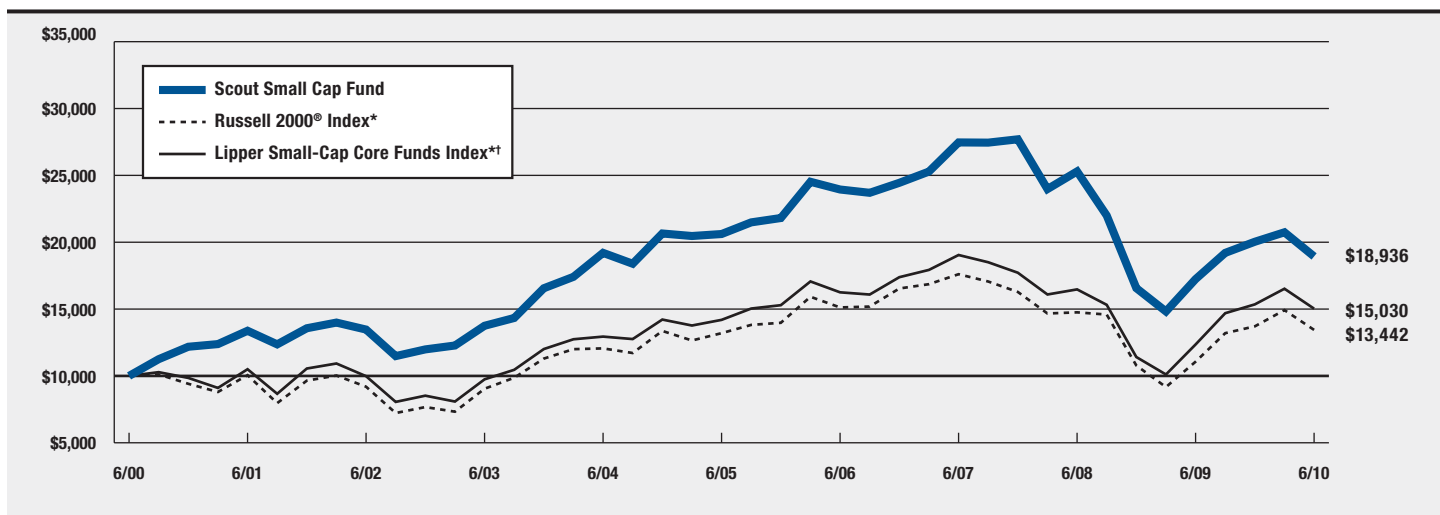
² As of June 30, 2010, Tempur-Pedic International, Inc., Monro Muffler Brake, Inc., Finish Line, Inc., Omnivision Technologies, Inc., Cirrus Logic, Inc., Skyworks Solutions, Inc., Plexus Corp., Portfolio Recovery Associates, Inc., Mariner Energy, Inc., Apache Corp., SM Energy Co., and Amedisys, Inc. represented 0.00%, 1.67%, 1.72%, 3.54%, 1.84%, 2.37%, 1.20%, 1.40%, 0.00%, 0.00%, 0.00% and 0.65% respectively, of the Scout Small Cap Fund's total net assets, respectively. 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 Small Cap Fund's total returns as of June 30, 2010.

Scout Small Cap Fund (UMBHX)

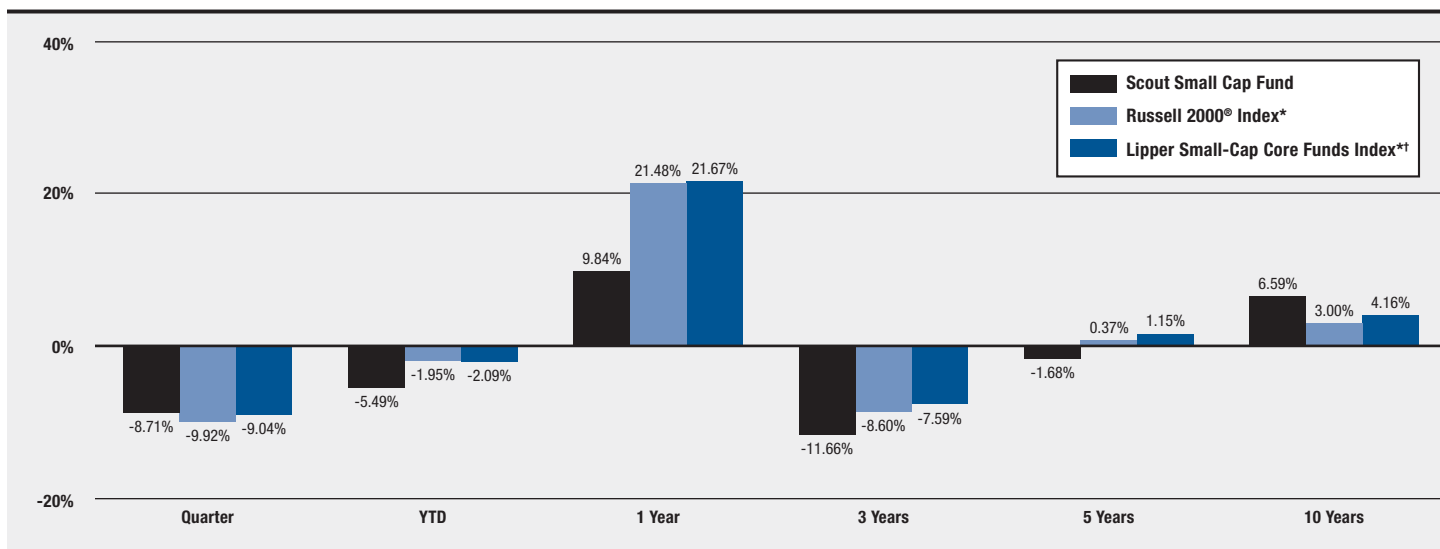
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HYPOTHETICAL GROWTH OF \$10,000 (UNAUDITED)



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 Small Cap Fund	-8.71%	-5.49%	9.84%	-11.66%	-1.68%	6.59%	1.09%	1.09%
Russell 2000® Index*	-9.92%	-1.95%	21.48%	-8.60%	0.37%	3.00%		
Lipper Small-Cap Core Funds Index*†	-9.04%	-2.09%	21.67%	-7.59%	1.15%	4.16%		

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

† The Lipper Small-Cap Core Funds Index invests in small capitalization companies without a specific growth orientation.

Performance returns for the Scout Small Cap Fund, Russell 2000® Index and Lipper Small-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.

Prior to July 2, 2001, the Fund was known as the Scout Regional Fund and was managed in accordance with a different investment objective and strategy.

A redemption fee of 2% will be imposed on redemptions or exchanges made within two months of purchase of shares in the Scout Small Cap 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 1.04% and 1.04%, respectively.

In our opinion industrials proved to be the largest disappointment during the quarter. Fears of a double dip recession led investors to reconsider growth estimates. While we remain cognizant of these fears, valuations appear attractive for many companies within the group. Aerospace markets are likely to improve with production of composite aircraft from Boeing and Airbus finally approaching. Transportation companies appear poised to benefit as shipping capacity has declined during the downturn in trucking and the survivors should benefit as the global recovery unfolds. Manufacturing inventories appear to be lean, exports continue to remain solid and cost structures have been significantly reduced which should provide significant earnings leverage if sales growth returns.

We believe the Fund remains positioned to benefit from increased global economic growth. Despite the threats to developed economies, emerging economies appear to be on solid financial ground that should help exports. Given the high unemployment rate, low asset utilization and well-contained inflation, the Federal Reserve should continue to maintain its accommodative monetary policy. Importantly for the Scout Small Cap Fund, we believe the market environment is favorable for larger companies in the small capitalization segment, generate higher returns on equity, are higher priced and report earnings.

In considering this investment, please keep in mind that, due to the limited focus of this Fund, the Scout Small Cap Fund is 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.

INVESTMENT CATEGORY

- Small Cap Core

INVESTMENT OBJECTIVE

- Long-term growth of capital

INVESTMENT PROCESS

The Fund invests in a diversified portfolio of equity securities that are selected based upon the management team's perception of their above-average potential for long-term growth of capital. Equity securities include common stocks, preferred stocks, securities convertible or exchangeable into common stocks, rights and warrants. The Fund normally invests at least 80% of its net assets in equity securities (mostly common stocks) of small cap companies located anywhere in the United States. Small cap companies are those with a market capitalization of \$2.8 billion or less at the time of purchase.



Portfolio Management Team: (Left to Right)
Jason J. Votruba, Thomas W. Laming and James R. McBride

LEAD PORTFOLIO MANAGER:

Thomas W. Laming

- Joined the Advisor in 2009.
- Bachelor's degree from University of Kansas and Master's Degrees from Indiana University and Massachusetts Institute of Technology.
- More than 20 years of investment management experience.

CO-PORTFOLIO MANAGERS:

Jason J. Votruba, CFA

- Portfolio manager since 2002.
- Joined the Advisor in 2002.
- Bachelor's degree from Kansas State University.
- More than 11 years of experience in the financial services industry.

James R. McBride

- Joined the Advisor in 2009.
- Bachelor's degree from Wichita State University and Master's degree from Indiana University. Graduate of the General Electric Manufacturing Management Program for Manufacturing Engineers.
- More than 19 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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