

Quarterly Update

Investment Category

Mid Cap Core

Investment Objective

Long-term growth of capital

Investment Process

The Fund invests in a diversified portfolio consisting primarily of equity securities of mid cap companies. Equity securities include common stocks, preferred stocks, securities convertible or exchangeable into common stocks, rights, warrants, and real estate investment trusts ("REITs"). The Fund normally invests at least 80% of its net assets in mid cap equity securities. Mid cap equity securities are securities issued by companies with market capitalizations (share price multiplied by the number of shares outstanding), at the time of purchase, between \$1.5 billion and \$17 billion.

Portfolio Management Team (left to right)

Derek M. Smashey, G. Patrick Dunkerley and John A. Indellicate



G. Patrick Dunkerley, CFA – Lead Portfolio Manager

- Lead portfolio manager since Fund's inception
- Joined the firm in 2006
- Bachelor's degree from the University of Missouri and master's degree from Golden Gate University
- 17 years of investment experience

Derek M. Smashey, CFA – Co-Portfolio Manager

- Joined the firm in 2006
- Bachelor's degree from Northwest Missouri State University and master's degree from the University of Kansas
- 7 years of investment experience

John A. Indellicate, CFA – Co-Portfolio Manager

- Joined the firm in 2004
- Bachelor's degree from Harvard University
- 7 years of investment experience

Market Review – A Rebound for the U.S. Economy?

U.S. mid-cap stocks performed well in the fourth quarter. Investor attention was riveted on Europe's sovereign debt crisis. After much handwringing, Eurozone leaders agreed on measures aimed at preventing the financial collapse of Greece and Italy. These included writing off debt, increased bank bailout funding and requiring European banks to raise capital. Certain U.S. industries and overseas regions such as China that were reliant on Europe for export sales faced the prospect of reduced volume and profitability.

Also helping stocks was that the U.S. economy appeared to strengthen as the nation's unemployment rate fell and new hiring gained momentum. New housing starts, at least for multi-family units, rose more than expected. Inventories of unsold properties remained high, especially at the lower end of the market. However, industry analysts saw some signs of housing stabilization in states hardest hit by overbuilding and foreclosures.

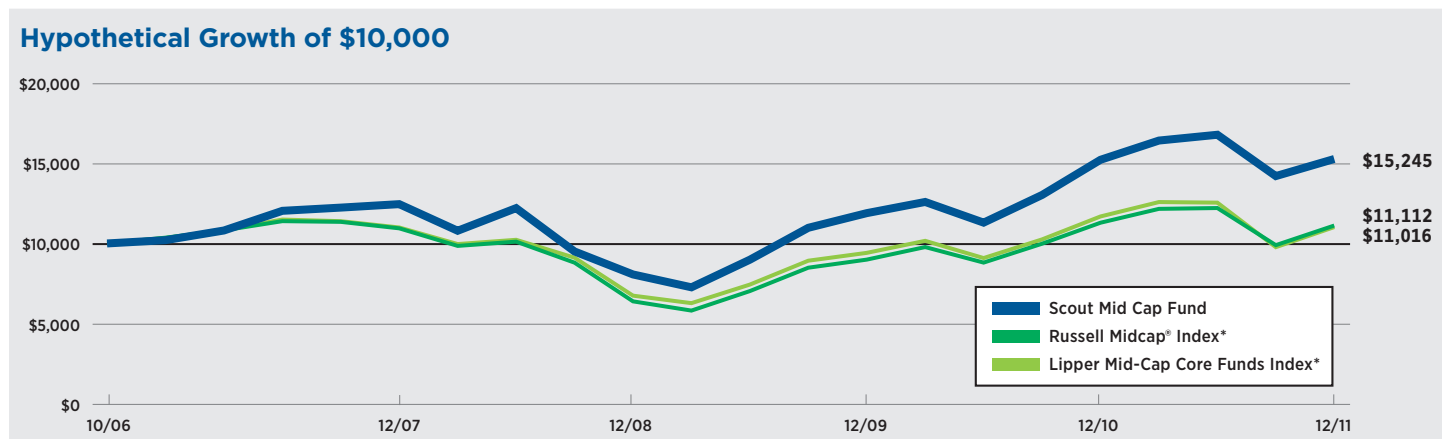
As political uncertainty and market volatility reigned, the value of the U.S. dollar increased against many currencies during the quarter. Retail sales growth rates also rallied, with consumer discretionary spending rising at an annualized rate of about 10%. Consumer prices were tame amid falling metals and agricultural commodity prices during the quarter. Oil prices also fell, then rebounded as concern about Iran rose, generating a sharp rally in energy stocks.

In this environment, mid-cap companies provided positive returns in every sector in the U.S. except telecommunications for the three months ending Dec. 31. Overall, however, mid-cap stocks did not regain the significant ground lost during the late July and early August sell off. Consistent with our investment strategy, we looked for several factors to select stocks within all sectors: growth catalysts, strong cash flow and balance sheets and reasonable valuations.

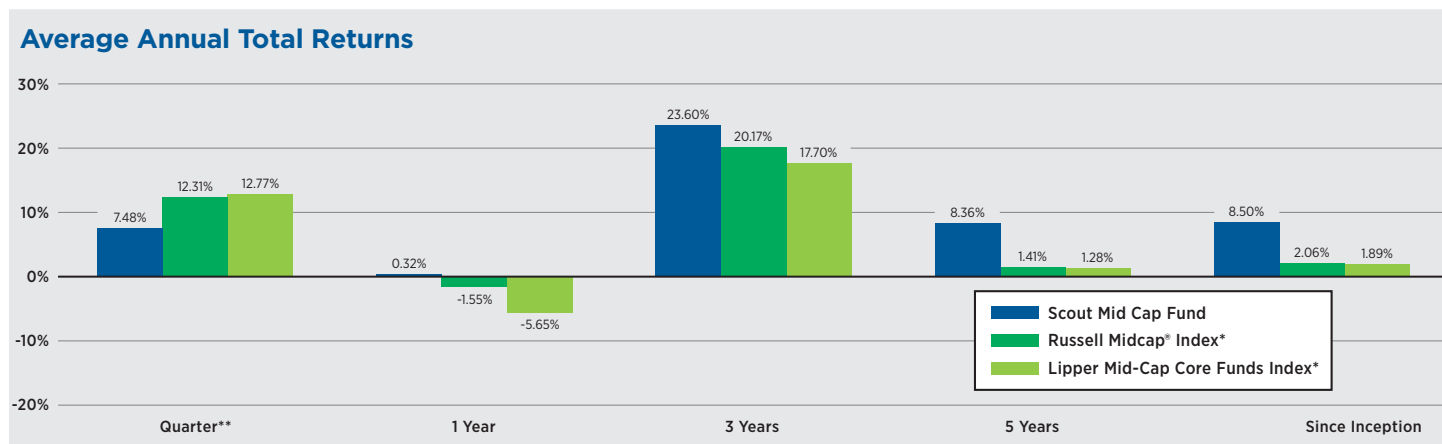
Contributors and Detractors – A Low Weighting in Cyclical Stocks Hurt Results

The Fund delivered positive returns during the fourth quarter but lost ground relative to our benchmark, the Russell Midcap Index. We were underweight energy,

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For illustrative purposes only; may not represent your returns.



	Average Annual Total Returns					Gross Expense	Net Expense
	Quarter**	1 Year	3 Years	5 Years	Since Inception		
Scout Mid Cap Fund	7.48%	0.32%	23.60%	8.36%	8.50%	1.04%	1.04%
Russell Midcap® Index*	12.31%	-1.55%	20.17%	1.41%	2.06%		
Lipper Mid-Cap Core Funds Index*	12.77%	-5.65%	17.70%	1.28%	1.89%		

The Fund's inception date was Oct. 31, 2006.

* Unmanaged index of stocks, bonds or mutual funds. It is not possible to invest directly in an index. The Russell Midcap® Index consists of the smallest 800 securities in the Russell 1000, as ranked by total market capitalization. This Index accurately captures the medium-sized universe of securities and represents approximately 34% of the Russell 1000 total market capitalization. The Lipper Mid-Cap Core Funds Index consists of Funds that, by portfolio practice, invests in companies with a market capitalization of less than \$5 billion at the time of purchase.

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

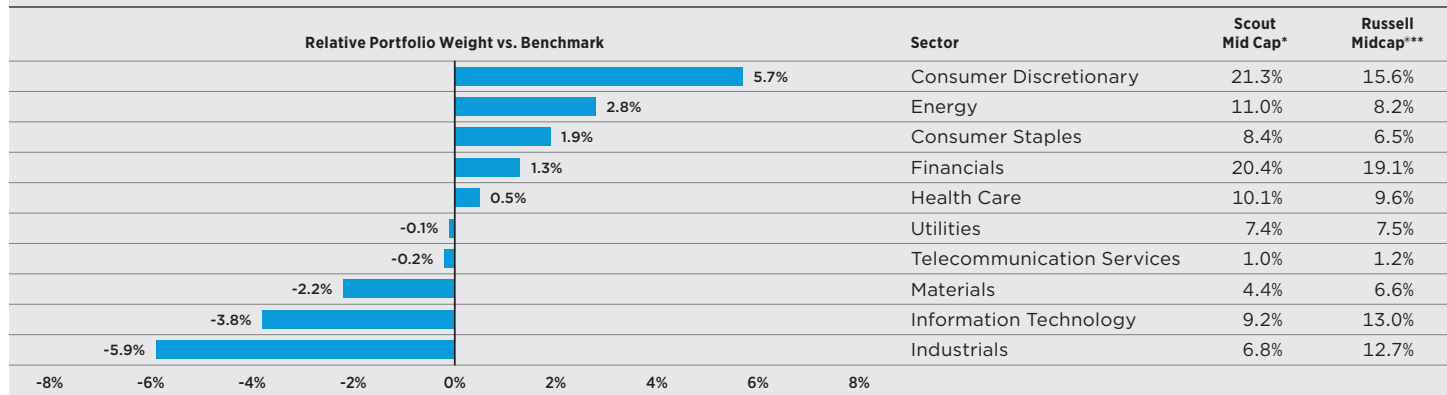
Performance returns for the Scout Mid Cap Fund, Russell Midcap® Index and Lipper Mid-Cap Core Funds Index assume dividends were reinvested for the entire period. The Fund may, at times, experience higher-than-average portfolio turnover which may generate significant taxable gains and increased trading expenses which in turn may lower the Fund's return.

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 Mid Cap Fund. Please see the Prospectus for more information about the fee and which accounts it applies to.

Sector Allocation



Portfolio Characteristics

	Scout Mid Cap	Russell Midcap***
Number of Holdings	73	782
Weighted Median Market Cap	\$4,982M	\$6,919M
Weighted Average Market Cap	\$6,918M	\$7,797M
5 Year Historical EPS Growth	9.0%	5.9%
12 Mo Historical P/E (Avg)	12.7	20.0
Price/Book	1.9	2.0
Return on Equity	13.8%	11.1%
Sharpe Ratio (3 Year) [†]	1.12	0.92
R2 (3 Year) [†]	0.92	1.00
Standard Deviation (3 Year) [†]	21.03%	21.86%
Beta (3 Year) [†]	0.92	1.00
Alpha (3 Year) [†]	4.39%	—
Turnover Ratio (Trailing 1 Year)	191%	—
Total Assets (in millions)	\$798.4	—
Inception Date	10/31/06	—

Top 10 Equity Holdings

	Percent of Total Investments
American Capital Agency Corp. REIT	4.3%
CBS Corp.	4.0%
W.R. Berkley Corp.	3.1%
Arch Capital Group Ltd.	3.0%
Humana, Inc.	2.9%
Herbalife Ltd.	2.8%
Alliant Energy Corp.	2.6%
Affiliated Managers Group, Inc.	2.5%
UGI Corp.	2.5%
Xcel Energy, Inc.	2.3%
Top 10 Equity Holdings Total	30.0%

REIT — Real Estate Investment Trust

* 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 Russell Midcap® 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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industrials and materials for the period, and these three sectors provided the highest positive quarterly returns. Our stock selection in these three sectors further detracted from our results. The defensive portfolio posture that had served us relatively well during the third quarter was simply not the most desirable place to be as stocks rallied.

Our biggest quarterly success in the portfolio was health care. We benefited from Cigna's \$3.8 billion October purchase of HealthSpring, a managed care provider specializing in Medicare Advantage programs. HealthSpring had been a top 10 holding at the start of the quarter. Consumer discretionary and staples stocks were a mixed bag during the quarter. CBS Inc. was the second largest positive portfolio return contributor for the quarter but we also had setbacks in consumer holdings that had served us well earlier in the year, including Herbalife Ltd. During the quarter, we sought to benefit from declining agricultural prices and more upbeat consumer sentiment and shifted our consumer emphasis toward companies primarily doing business in the U.S.

Outlook — Home is Where the Growth May Be

We are becoming more constructive on the U.S. equity market. We are fully invested and we trimmed some of our more defensive positions in utilities and mortgage REITs in the last two months of the fourth quarter. We believe this positions the portfolio well relative to our benchmark should the rally continue in the first quarter of 2012. We remain focused on purchasing cash-generating companies with strong balance sheets and catalysts to spur potential outperformance.

European governments appear more resolute regarding the debt crisis. Since the consequences of an uncontrolled Italian default would be dire, we think momentum will continue toward a solution. In our view, the solution

will probably entail closer fiscal integration, along with bailout payments or loans that are tied to the achievement of budget milestones. At the present, we believe the crisis could be alleviated, with transfer payments or bank capital injections totaling just \$900 billion, assuming budget reforms. This is a lower cost to resolve the situation than has been quoted in the media (we have seen estimates of \$2 trillion), so we are relatively optimistic.

In the U.S., leading indicators have been turning positive, with 11 out of 12 Federal Reserve Districts reporting moderate economic growth as of the most recent report. Although problems in the U.S. and Europe are well known, we believe the direction of equity markets is likely to surprise to the upside due to government and central bank actions and a still expanding U.S. economy. That said, we recognize that the U.S. equity market is likely to be volatile this year, subject to emotional reaction to political and economic headlines across the world. Consumer deleveraging, a problem since 2008, continues to limit consumer spending growth. However, we feel many pockets of opportunity are likely to emerge in the months ahead.

Risk Considerations: *Mid-cap stocks may temporarily fall out of favor or perform poorly relative to other types of investments. While stocks of mid-cap companies may be slightly less volatile than those of small-cap companies, they still involve substantial risk. Real Estate Investment Trusts (REITs) may be affected by economic conditions including credit risk, interest rate risk and other factors that affect property values, rents or occupancies of real estate. 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.*

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As of Dec. 31, 2011, HealthSpring, CBS Inc., Herbalife Inc. and Cigna represented 0.0%, 3.9%, 2.7% and 0.0% of Scout Mid Cap 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 Mid Cap 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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