

Stock prices began falling a few weeks after the start of the second quarter, likely driven primarily by fears associated with the European debt crisis. The quarter began with anti-austerity riots in Greece, and ended with a G-20 meeting in Toronto where some European leaders expressed concern regarding excessive stimulus spending by the United States. The result was one of the worst quarters for performance in the equity markets since the depths of the financial crisis. For the three months ending June 30, 2010, the Russell 2000 Growth[®] Index¹ had a negative return of 9.22%, while the Scout TrendStar Small Cap Fund fell 10.06%.

In which direction will inflation break? Will it be a rising price environment? Or, will prices fall in a deflationary downturn? Which scenario poses the greater risk? We believe that these are some of the most fundamentally important questions on the minds of investors. In the vast majority of past investing environments and eras, inflation forecasts would typically disagree only in their magnitude. Today, it is the sign, positive or negative, that is in dispute.

On one hand are those investors who expect rising inflation. Arguments for an inflationary future appear to center on the Federal Reserve's accommodative monetary policies. The Federal Reserve (the Fed) has lowered its target for the fed funds rate to nearly zero and expanded lending to depository institutions. It has also made unprecedented purchases of government bonds, mortgage-related securities, and government-sponsored enterprise (GSE) debt. In short, typically those who see an inflationary future point to growth in the monetary base. While the Fed can remove liquidity and possibly reduce inflationary risk, by selling its hoard of treasuries the action of selling its holdings would put it in direct competition with the U.S. Treasury Department, which may also be selling bonds to finance massive deficits.

At the other extreme are those who expect deflation. Supporting this view is the current slack, or output gap, in the U.S. economy. A good measure of the output gap (the difference between potential and actual GDP) is the unemployment rate. Adherents of a deflationary future see the persistently high level of unemployment as an indication that prices will remain low for a considerable period. Businesses appear reluctant to hire, and hence the economy may remain far from full employment. As long as corporations can continue to achieve strong productivity gains, unemployment could remain high, corporate earnings could continue to grow, all while inflation remains subdued.

We believe the implications of whether we are about to enter an inflationary or deflationary period are very important for small cap investors. From our analysis of small and large cap return data, and from the historical level of interest rates, we have concluded that small cap stocks have generally outperformed large caps during

periods of rising nominal interest rates. To the extent that our future holds higher inflation, rising interest rates would be a direct result. For example, from early 1963 until the end of 1981 the yield on the 10-Year government bond rose from 3.85% to 14.0% while small cap stocks returned an annualized 16.4% versus 7.7% for large caps, per data from the Ibbotson 2010 Yearbook published by Morningstar. During the ensuing fall in interest rates from the end of 1981 to the end of 2009 when the yield on 10-year government bonds fell to 3.84% (a round trip from their starting point at the beginning of 1963), small cap stocks returned 11.4% versus 11.2% for large caps. We also find a similar result favoring small caps over shorter (one-to-three year) periods of rising interest rates, with large caps doing better when rates are falling.

We don't know the next directional move for interest rates. A Japanese-style deflation would portend lower interest rates, and hence may well favor large caps stocks. Conversely, should the Fed need to tighten due to the onset of inflation, we would expect small caps to do relatively well.

During the second quarter, the Russell 2000 Growth[®] Index¹ was led by the Consumer Staples and Materials sectors. The weakest performing sectors were Consumer Discretionary and Energy. While the Fund held a relative underweight position in the first two outperforming sectors, it also had a relative underweight position in the latter two under-performing sectors. Concerns about a slowing economy partly explain the relative performance of these sectors. Despite its historic economic sensitivity, the materials sector appears to be helped with the movement of metals-related stocks. In addition the strength in Consumer Staples seems to be consistent with investor concern regarding the sustainability of the current economic expansion.

The three stocks providing the greatest contribution to relative performance were: Akamai Technologies, Inc. (NASDAQ: AKAM)²; inVentiv Health, Inc. (NASDAQ: VTIV)²; and Shaw Group, Inc. (NYSE: SHAW)². Akamai Technologies, Inc. operates servers that help websites deliver content to end users. The rise of Internet video has, and continues to be, a major driver of Akamai Technologies, Inc.'s growth. But, now it appears that online-gaming and social networking are beginning to have a major impact on bandwidth demand. inVentiv Health, Inc. received a buyout offer from the private equity firm Thomas H. Lee Partners LP shortly before the beginning of the quarter. The stock traded much of the quarter well below the \$26 per share cash buyout price, but has been slowly converging to that level during a down stock market. Finally, we believe that Shaw Group, Inc. performed well during the quarter as its nuclear power plant business is just beginning to benefit from a new nuclear power plant construction cycle.

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¹The Russell 2000 Growth[®] Index measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-value ratios and higher forecasted growth values. The Russell 2000 Growth[®] 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 TrendStar Small Cap Fund and Russell 2000 Growth[®] Index assume that dividends were reinvested for the entire period. Returns for periods greater than one year are compounded average annual rates of return.

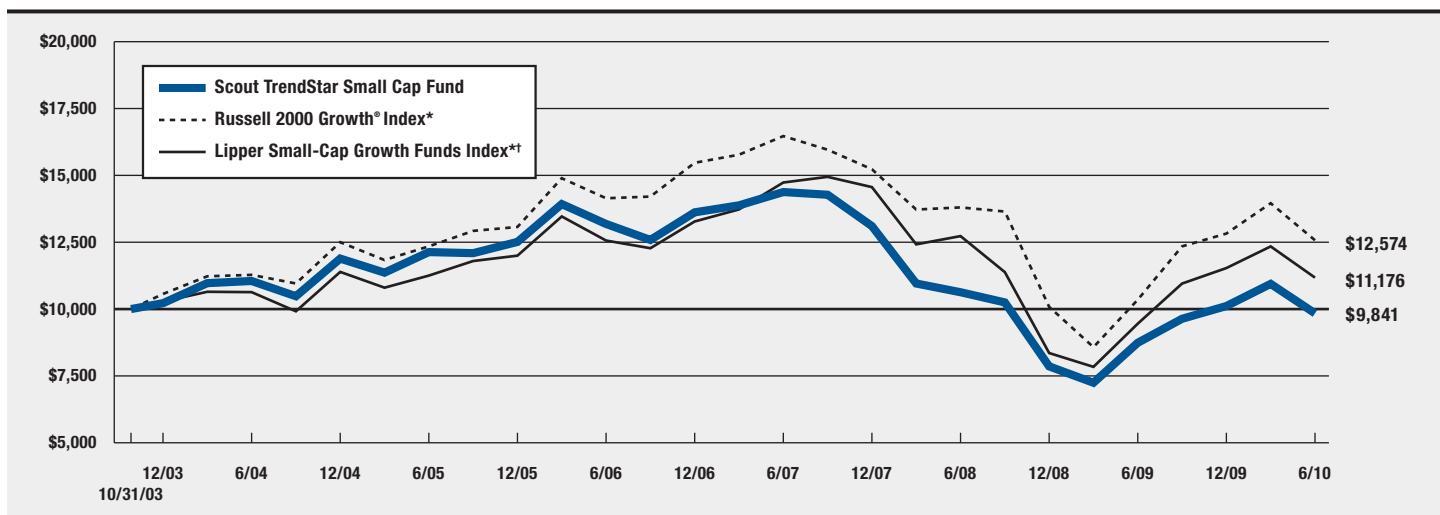
²As of June 30, 2010, Akamai Technologies, Inc., inVentiv Health, Inc., Shaw Group, Inc., Waddell & Reed Financial, Inc., Cree, Inc. and Cameco Corp. represented 2.47%, 1.97%, 0.00%, 1.32%, 3.98% and 1.76% of the Scout TrendStar Small Cap Fund's total net assets, respectively. Portfolio composition will 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 TrendStar Small Cap Fund's total returns as of June 30, 2010.

Scout TrendStar Small Cap Fund (TRESX)

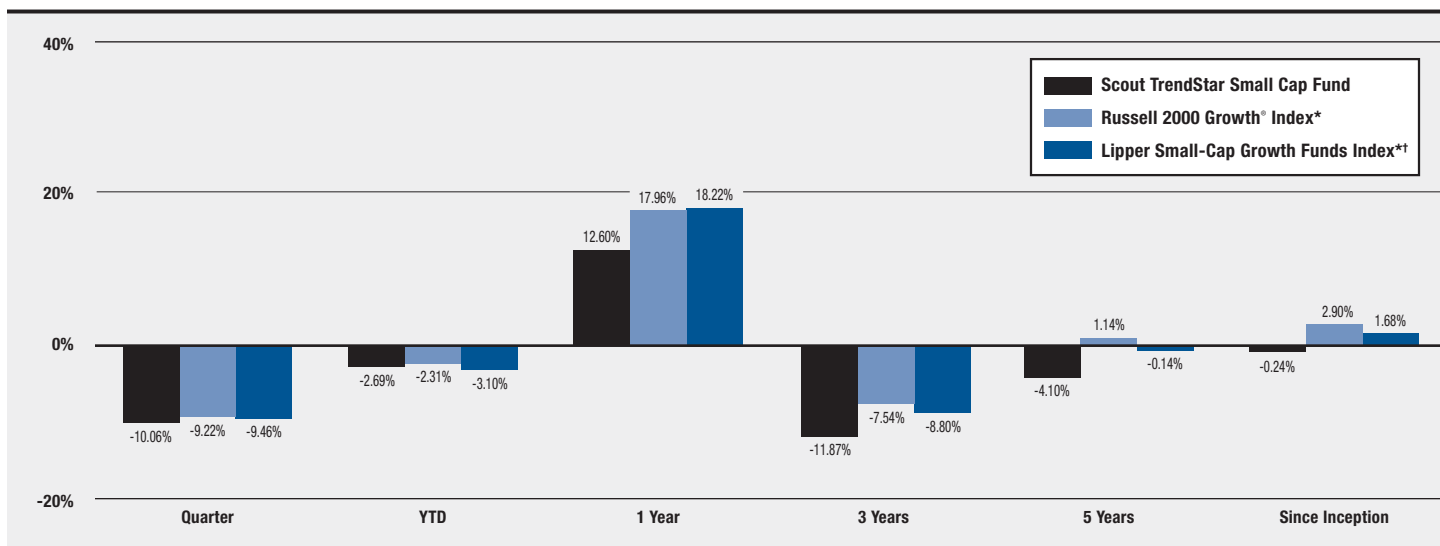
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HYPOTHETICAL GROWTH OF \$10,000 (UNAUDITED)



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	Since Inception		
Scout TrendStar Small Cap Fund	-10.06%	-2.69%	12.60%	-11.87%	-4.10%	-0.24%	1.59%⁽¹⁾	1.32%⁽¹⁾
Russell 2000 Growth® Index*	-9.22%	-2.31%	17.96%	-7.54%	1.14%	2.90%		
Lipper Small-Cap Growth Funds Index**	-9.46%	-3.10%	18.22%	-8.80%	-0.14%	1.68%		

The Fund's inception date was October 31, 2003.

* 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.

⁽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 TrendStar Small Cap Fund does not exceed 1.30%. 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 TrendStar Small Cap Fund, Russell 2000 Growth® Index and Lipper Small-Cap Growth Fund 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 TrendStar 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 2.66% and 1.30%, respectively.

SECTOR ALLOCATION (UNAUDITED)

Relative Portfolio Weight vs. Benchmark		Sector	Scout TrendStar Small Cap*	Russell 2000 Growth***	
	13.6%	Information Technology	39.6%	26.0%	
	2.1%	Financials	7.0%	4.9%	
	1.9%	Miscellaneous	1.9%	0.0%	
	1.0%	Energy	4.9%	3.9%	
	0.3%	Health Care	21.8%	21.5%	
-0.1%		Utilities	0.0%	0.1%	
-1.4%		Telecommunication Services	0.0%	1.4%	
-1.5%		Consumer Staples	1.7%	3.2%	
-4.5%		Materials	0.0%	4.5%	
-8.0%		Consumer Discretionary	9.7%	17.7%	
-8.3%		Industrials	8.5%	16.8%	
-10	-5	0	5	10	15
Percent					

PORTFOLIO CHARACTERISTICS (UNAUDITED)

	Scout TrendStar Small Cap	Russell 2000 Growth***
Number of Holdings	59	1,291
Median Market Cap	1,260m	380m
Wtd Avg Market Cap	1,900m	970m
5 Year Historical EPS Growth	8.1%	10.8%
12 Mo Historical P/E (Avg)	23.0	50.3
Price/Book	1.9	3.8
Return on Equity	10.7%	3.4%
Sharpe Ratio (3 Year)†	-0.54	-0.34
R2 (3 Year)†	0.91	1.00
Std Deviation (3 Year)†	24.43%	26.34%
Beta (3 Year)†	0.89	1.00
Alpha (3 Year)†	-5.64%	—
Turnover Ratio (Trailing 1 Year)	56%	—
Total Assets (in millions)	\$13.6m	—
Inception Date	10/31/03	—

TOP TEN EQUITY HOLDINGS (UNAUDITED)

	Percent of Total Net Assets
Cree, Inc.	4.0%
Bio-Reference Labs, Inc.	3.2%
Forward Air Corp.	2.9%
Varian Semiconductor Equipment Associates, Inc.	2.7%
Cabot Microelectronics Corp.	2.6%
Akamai Technologies, Inc.	2.5%
Amsurg Corp.	2.2%
AMERIGROUP Corp.	2.2%
National Instruments Corp.	2.2%
Centene Corp.	2.1%
Top Ten Equity Holdings Total	26.6%

*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 Russell 2000 Growth® Index.

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.

In our opinion the stocks hurting performance most during the quarter were:

Waddell & Reed Financial, Inc. (NYSE: WDR)²; Cree, Inc. (NASDAQ: CREE)²; and Cameco Corp. (NYSE: CCJ)² Waddell & Reed Financial, Inc., an asset manager, experienced weak asset flows as the quarter progressed. Cree, Inc., the Fund's largest holding, detracted from performance after having been the most positive contributor to performance during the first quarter and over the past year. We believe the weakness during the second quarter is associated with the stock's very strong performance over the past year, and will be temporary. Cameco Corp. has experienced cost issues at its large Cigar Lake uranium mine in Saskatchewan, but it continues to experience strong demand, recently announcing a long-term supply agreement with the China Nuclear Energy Industry Corporation to supply uranium concentrate through 2020.

We believe that the quarter closed with several positive signs for the Scout TrendStar Small Cap Fund. For the past several quarters, and certainly from the depths of the financial crisis, low quality stocks (those with single digit prices, low return-on-equity, high beta and non-earners) seem to have been the best performers, but their dominance appears to be changing based on the progression of the recently completed second quarter, with quality beginning to reassert itself. The strengthening U.S. dollar also appears to be a positive development for small cap stocks versus large cap stocks, since small companies are typically less dependent on international sales than large caps. Finally, as investors have become more cautious, so have company managements. By our estimation the equivalent of approximately 18% of small cap stock market capitalization sits in cash on company balance sheets, which may lead to future merger and acquisition activity. We believe that all of this bodes well for the relative performance of small cap stocks, with the largest risk being a contraction of the economy.

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

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.

The Scout Funds are distributed by UMB Distribution Services, LLC, an affiliate of UMB Financial Corporation, and managed by Scout Investment Advisors, Inc., a subsidiary of UMB Financial Corporation.

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INVESTMENT CATEGORY

- Small Cap Growth

INVESTMENT OBJECTIVE

- Long-term growth of capital

INVESTMENT PROCESS

The Fund is a diversified portfolio consisting primarily of equity securities of small capitalization companies. Equity securities include common stocks, preferred stocks, securities convertible or exchangeable into common stocks, rights, warrants, and REITs. Under normal circumstances, at least 80% of the Fund's net assets will be invested in common stocks of domestic small capitalization companies. The Fund may invest up to 10% of the portfolio in foreign companies, American Depositary Receipts ("ADRs") or Global Depositary Receipts ("GDRs").

The Fund defines small capitalization companies as those whose market capitalization fall within or below the market capitalization ranges of companies included in the S&P Small Cap 600[®] Index or the Russell 2000[®] Index within the previous three years of purchase. As of December 31, 2008, the S&P Small Cap 600[®] Index included companies with market capitalizations ranging from \$15 million to \$2.3 billion, and the Russell 2000[®] Index included companies with market capitalizations ranging from \$7 million to \$3.3 billion. You should be aware that the market capitalization ranges for these indices are not fixed and may change from time to time.



Portfolio Management Team: (Left to Right)
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 MANAGER:

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.