

## 5 Reasons to Invest in the Scout Unconstrained Bond Fund:

- Greater ability and flexibility to pursue fixed income opportunities across multiple sectors.
- Seeks absolute positive returns over full market cycles without being tethered to benchmark-specific guidelines.
- Opportunity to enhance performance in varying and uncertain market environments.
- A complement and/or alternative to a core bond holding.
- Access to proven management expertise and Reams' "best ideas".

*"The unconstrained strategy allows us to pursue what we feel are the best investment opportunities in the marketplace over the long term without the constraints of a benchmark".*

Mark Egan, CFA, CPA  
 Lead Portfolio Manager

## When volatility is high, give your investments the flexibility to pursue opportunities.

With increased volatility in today's global economic market, investors may benefit from the added flexibility of an investment option without traditional benchmark constraints. Performance of asset classes may vary considerably depending on the market environment and allowing managers wide discretion may provide additional opportunity to prepare for shifts in the economic cycle.

2006	2007	2008	2009	2010
Corporate High Yield Bonds 11.85%	Government Bonds 8.66%	Government Bonds 12.39%	Corporate High Yield Bonds 58.21%	Corporate High Yield Bonds 15.12%
Mortgage-backed Securities 5.22%	U.S. Aggregate 6.97%	Mortgage-backed Securities 8.34%	Corporate Inv Grade Bonds 18.68%	Corporate Inv Grade Bonds 9.00%
Treasury Bills 4.80%	Mortgage-backed Securities 6.90%	U.S. Aggregate 5.24%	U.S. Aggregate 5.93%	U.S. Aggregate 6.54%
U.S. Aggregate 4.33%	Treasury Bills 4.78%	Treasury Bills 1.77%	Mortgage-backed Securities 5.89%	Mortgage-backed Securities 5.37%
Corporate Inv Grade Bonds 4.30%	Corporate Inv Grade Bonds 4.56%	Corporate Inv Grade Bonds -4.94%	Treasury Bills 0.15%	Government Bonds 5.52%
Government Bonds 3.48%	Corporate High Yield Bonds 1.87%	Corporate High Yield Bonds -26.16%	Government Bonds -2.20%	Treasury Bills 0.13%

Source: Barclays Capital

Treasury Bills are represented by the Barclays Capital 1-3 Month U.S. Treasury Bill Index, which includes all publicly issued zero-coupon U.S. Treasury Bills that have a remaining maturity of 1-3 months, are rated investment grade, and have \$250 million or more of outstanding face value. In addition, the securities must be denominated in U.S. dollars, fixed rate and non convertible.

Government Bonds are represented by the Barclays Capital U.S. Government Bond Index, which includes publicly issued debt of the U.S. Treasury and U.S. government agencies, quasi-federal corporations, and corporate or federal debt guaranteed by the U.S. Government.

Corporate Investment Grade Bonds are represented by the Barclays Capital U.S. Corporate Bond Index, which measures the investment grade, fixed-rate, taxable and corporate bond market.

Corporate High Yield Bonds are represented by the Barclays Capital U.S. Corporate High Yield Bond Index, which measures the universe of fixed rate, non-investment grade debt.

Mortgage-Backed Securities (MBS) are represented by the Barclays Capital U.S. MBS Index, which covers agency mortgage-backed pass-through securities issued by Ginnie Mae, Fannie Mae, and Freddie Mac.

The U.S. Aggregate is represented by the Barclays Capital U.S. Aggregate Bond Index, a broad-based index that measures the investment grade, U.S. dollar-denominated, fixed-rate, taxable bond market, including U.S. and corporate bonds.

## Description

The Scout Unconstrained Bond Fund seeks to maximize total return by systematically pursuing relative value opportunities throughout all sectors of the fixed income market. Ream's disciplined investment philosophy and process are used to identify and evaluate relative value opportunities and what we believe to be the "best ideas" are selected for use in the fund. The fund may invest in any sector of the fixed income market, including investment grade and high-yield credit, governments, agencies, mortgage-backed, asset-backed, foreign markets.

## Investment Objective

The Scout Unconstrained Bond Fund seeks to maximize total return consistent with the preservation of capital.

## Investment Philosophy

The investment philosophy is based on our belief that volatility is a key driver of performance in the fixed income market. Bond market volatility is usually higher than commonly perceived and is often mispriced in the marketplace. This core belief leads us to focus on long-term value and "total return," employ macro and bottom-up strategies to uncover unique opportunities, and respond opportunistically to valuation discrepancies and volatility in the bond market.

## Investment Process

- Step 1: Determine whether the bond market is cheap or expensive by comparing the current real interest rate to historical rates.
- Step 2: Focus on sectors offering relative value and select securities offering the highest risk-adjusted return.
- Step 3: Continually measure and control exposure to security- and portfolio-level risks.

### Firm Background

Scout Investments, Inc., headquartered in Kansas City, Mo., manages \$19 billion in equity and fixed income strategies for institutional clients and individual investors through our Scout and Reams Asset Management divisions.

Scout Investments is a wholly owned subsidiary of UMB Financial, a multi-billion dollar diversified financial services company with roots tracing back to 1913.

## Portfolio Management Team



(Left to Right) Mark M. Egan, Thomas M. Fink, Todd C. Thompson, Stephen T. Vincent

The Fund is managed by Scout, through its Reams Asset Management fixed income division, which was acquired in 2010.

### Mark M. Egan, CFA, CPA – Lead Portfolio Manager

- Joined Reams Asset Management in 1990
- 25 years of investment management experience

### Thomas M. Fink, CFA – Co-Portfolio Manager

- Joined Reams Asset Management in 2000
- 25 years of investment management experience

### Todd C. Thompson, CFA – Co-Portfolio Manager

- Joined Reams Asset Management in 2001
- 17 years of investment management experience

### Stephen T. Vincent, CFA – Co-Portfolio Manager

- Joined Reams Asset Management in 1994
- 20 years of investment management experience

**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](http://scoutfunds.com). Please read the prospectus carefully before investing.**

*The Fund employs an unconstrained investment approach which creates considerable exposure to certain types of securities that present significant volatility in the Fund's performance, particularly over short periods of time. The return of principal in a bond fund is not guaranteed. Bond funds have the same interest rate, inflation and credit risks that are associated with underlying bonds owned by the Fund. 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. Mortgage- and Asset-Backed Securities are subject to prepayment risk and the risk of default on the underlying mortgages or other assets. High yield securities involve greater risk than investment grade securities and tend to be more sensitive to economic conditions and credit risk.*

*Derivatives such as options, futures contracts, currency forwards or swap agreements may involve greater risks than if the Fund invested in the referenced obligation directly. Derivatives may involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk and the risk that a fund could not close out a position when it would be most advantageous to do so. Derivative investments could lose more than the principal amount invested. The Fund may use derivatives for hedging purposes or as part of its investment strategy.*

*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.*

*The Scout Funds are distributed by UMB Distribution Services, LLC, 803 W. Michigan St. Milwaukee, WI 53233, an affiliate of UMB Financial Corporation. Scout Investments, Inc., a subsidiary of UMB Financial Corp., serves as investment adviser to the Scout Funds. "Scout" and the "Scout" design are registered service marks of UMB Financial Corporation.*