

### Investment Category

Multi-sector income

### Investment Objective

Maximize total return consistent with the preservation of capital

### Investment Process

The Fund seeks to maximize total return by systematically pursuing relative value opportunities in all sectors of the fixed income market. The firm's disciplined investment philosophy and process are used to identify and evaluate relative value opportunities and the "best ideas" are selected for use. Derivative instruments such as futures, options, and credit default swaps may be used to gain exposure and manage risk. Given its strategy, the Fund is not managed against a benchmark.

### Portfolio Management Team (left to right)

Mark M. Egan, Thomas M. Fink, Todd C. Thompson and Stephen T. Vincent



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

- Joined Reams Asset Management in 1990
- 26 years of investment experience

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

- Joined Reams Asset Management in 2000
- 26 years of investment experience

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

- Joined Reams Asset Management in 2001
- 18 years of investment experience

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

- Joined Reams Asset Management in 1994
- 21 years of investment experience

### Market Overview – Job, Money Supply Growth Lifts Corporate Bonds

It was a very good quarter for corporate bonds at all quality levels, and a lackluster one for U.S. Treasuries. Corporate bond market enthusiasm gained steam amid better-than-expected employment data reported in January and February and a drop in the unemployment rate. U.S. Gross Domestic Product (GDP) growth improved to 3% as consumer confidence and spending rose. In an environment where investors favored risk, equity prices surged while long-term U.S. Treasury prices dropped. It was the worst first quarter for long-term U.S. Treasuries since 2009 as 10-year bond yields rose above 2% and prices fell.

Bond rating agencies were very active during the quarter. In January, Standard & Poor's downgraded the majority of the European nations and Moody's followed in February downgrading Italy, Spain, and Portugal. Noting increased difficulties in obtaining capital and pressure to produce the same level of profitability, Moody's said that downgrades for major domestic and European banks were possible, some by as many as three notches. In the U.S., however, the U.S. government's stress test results released in March showed a relatively healthy banking system.

The long-anticipated conclusion to the Greek debt exchange was consummated with nearly 86% of bondholders agreeing to the exchange (an approximate 70% loss of value for bondholders). This reduces the Greek Republic's debt to a more sustainable level, with a target of 120% debt to GDP by 2020.

Liquidity injections for banks continued globally, led by Europe. This helped boost confidence in sovereign fixed-income securities in developed markets. More than 800 banks participated in Europe's €1 trillion Long-Term Refinancing Operation (LTRO), a loan program that significantly increased liquidity for European banks.

### Contributors and Detractors – High-Yield Did Well, Although We Sold Early

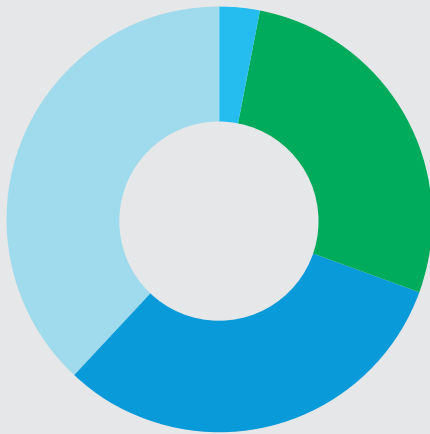
The most significant driver of performance in the first quarter was the portfolio's overweight position in the corporate sector. We entered the quarter with a focus on investment grade financials and a broad positioning in high-yield bonds. All areas of the corporate market outperformed during the quarter. Financial issuers led the outperformance, particularly in investment grade corporate bonds. Both sector and security selection added to performance in investment grade credit. The portfolio's high yield holdings added to performance early in the quarter.

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**Average Annual Total Returns**

	Quarter**	Since Inception**	Gross Expense	Net Expense
<b>Scout Unconstrained Bond Fund</b> .....	<b>10.17%</b>	<b>15.31%</b>	<b>2.05%<sup>(1)</sup></b>	<b>0.99%<sup>(1)</sup></b>
3-Month LIBOR Index* .....	0.16%	0.23%		
Lipper Multi-Sector Income Funds Index* .....	4.15%	6.71%		

**Sector Allocation**



Security Type	Scout Unconstrained Bond†
Cash/Cash Equivalents	37.9%
High Yield	31.5%
Investment Grade Corporate Bonds	27.4%
Asset-Backed Securities	3.2%
Mortgage-Backed Securities	0.0%
Government Related	0.0%
U.S. Treasury	0.0%
<b>Total</b>	<b>100%</b>

**Portfolio Characteristics**

	Scout Unconstrained Bond
Average Maturity .....	3.5 years
Average Duration .....	0.6 years
Yield to Maturity/Call .....	5.2%
Number of Holdings .....	56
Total Assets (in millions) .....	\$29.2
Inception Date .....	9/29/11

**Average Maturity** is computed by weighting the maturity of each security in the portfolio by the market value of the security, then averaging these weighted figures. **Average Duration** is a time measure of a bond's interest-rate sensitivity, based on the weighted average of the time periods over which a bond's cash flows accrue to the bondholder. Time periods are weighted by multiplying by the present value of its cash flow divided by the bond's price. **Yield To Maturity** is the rate of return anticipated on a bond if it is held until the maturity date. The calculation of YTM takes into account the current market price, par value, coupon interest rate and time to maturity. It is also assumed that all coupons are reinvested at the same rate.

The Fund's inception date was Sept. 29, 2011.

\* The 3-Month London Intraday Offered Rate (LIBOR) Index is an average interest rate, determined by the British Bankers Association, that banks charge one another for the use of short-term money (3 months) in England's Eurodollar market. The Lipper Multi-Sector Income Funds Index consists of Funds that, by portfolio practice, seek current income by allocating assets among several different fixed income securities sectors (with no more than 65% in any one sector except for defensive purposes), including U.S. government and foreign governments, with a significant portion of assets in securities rated below investment-grade. It is not possible to invest directly in an index.

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

† Sector holdings are based on total investments.

**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.**

**The performance returns for the Fund reflect a fee waiver in effect. In absence of such waiver, the returns would be reduced.**

Gross and net expense ratios are as of the most recent Prospectus dated Oct. 31, 2011. Effective April 1, 2012, an administrative fee (Admin Fee) at the annual rate of 0.05% of the Fund's average daily net assets was approved. The imposition of the Admin Fee will have no current effect on the Total Annual Fund Operating Expenses (after Fee Waiver and/or Expense Assumption) because Scout Investments is already waiving advisory fees and/or assuming certain Fund expenses.

Performance returns for the Scout Unconstrained Bond Fund, 3-Month LIBOR Index and Lipper Multi-Sector Income Funds Index assume dividends were reinvested.

<sup>(1)</sup> The Advisor has entered into an agreement to waive advisory fees and/or assume certain fund expenses through Oct. 31, 2012, in order to limit the total annual fund operating expenses, excluding any acquired fund fees/expenses other certain expenses, to no more than 0.99%. If total annual fund operating expenses would fall below the expense limit, the Advisor may cause the Fund's expenses to remain at the expense limit while it is reimbursed for fees that it waived or expenses that it assumed during the previous three fiscal years.

Portfolio composition will change due to the ongoing management of the Fund. References to specific securities should not be construed as recommendations by the Fund, its Advisor or its Distributor.

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.

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We did miss out on some performance in the high-yield sector in February and March. In our view, valuations in the high-yield market became less attractive after prices moved up sharply in January. In response to this, we reduced the portfolio's position in this sector. We would have captured a higher proportion of the high yield market's relative outperformance if we had maintained our position.

One area where we redeployed resources was in a short position in the Japanese Yen (we sold futures contracts). We felt the Yen is substantially overvalued relative to the U.S. dollar. Government policymakers in Tokyo appear to be taking steps to devalue their currency to help exporters become more competitive. While we have the portfolio flexibility to buy Japanese fixed income securities, we did not find value there.

Asset-backed securities (ABS) added to performance as our holdings in low-dollar priced, seasoned home equity performed very well. A very short duration during the quarter helped to avoid negative returns as interest rates rose during the quarter.

### Outlook — Inflation and The Consequences of Government Intervention

Government intervention, both domestically and in Europe, is having an outsized impact on capital markets. This intervention is overwhelming economic fundamentals that, in the past, have driven movements in the capital markets. Liquidity has been the tool of choice by governments to reduce the negative impacts on electoral constituents. For example, the European Central Bank provided €1.1 trillion in very low-cost loans to help bring down sovereign borrowing rates in nations deemed by the market to be of questionable credit-worthiness. Liquidity, unfortunately, just masks the problem and does nothing to solve the underlying problems.

We believe the constant stream of liquidity will lead to significant inflation, but the timing of this is uncertain. Our tactical strategy is to focus on preserving purchasing power, as we believe that interest rates on government securities are distorted. We may continue to buy risk assets when they are attractive while realizing that volatility may be high for some time. Currently, we view the market as being near the end of a liquidity-driven rally in risk assets. If our inflation expectations occur, rates will need to move higher to induce lenders to provide capital to borrowers.

We are currently overweight in investment grade credit. Financial issues remain a focus as we feel they offer attractive risk-adjusted spreads relative to industrial and utility issuers. High yield corporate holdings have been reduced after significant outperformance, particularly in the first half of the quarter, and we felt income potential was less attractive. Within the structured sectors, we were underweight the mortgage-backed (MBS) sector. In our opinion, investors are no longer being compensated for the uncertain timing of cash flows in this sector. We have added to the ABS sector, primarily in short-duration, high-quality issues. We continue to maintain positions in auto finance ABS which have experienced very low delinquency levels.

At the end of March, the portfolio had a near benchmark weighting in Treasuries, an increase during the quarter, after the sales in the MBS sector. We also view the Japanese Yen as overvalued relative to the U.S. Dollar. As a result, we have positioned the portfolio to benefit if the Yen depreciates. Until interest rates after inflation moves higher, we may maintain a shorter duration bias.

**Risk Considerations:** *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.*

scoutinv.com

Please see page 2 for the Scout Unconstrained Bond Fund's average annual total returns as of Mar. 31, 2012.

**Consider the Fund's investment objectives, risks, charges and expenses carefully before investing. For a prospectus, which contains this and other information about the Funds call 800-996-2862 or visit scoutfunds.com. Please read the prospectus carefully before investing.**

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