

KEYSTONE Large Cap Growth Fund



1st Quarter 2010

OBJECTIVES AND PHILOSOPHY

The Keystone Large Cap Growth Fund's investment objective is long-term growth of capital.

Keystone's investment philosophy is grounded in principles of long-term investing. We understand that markets as well as investment styles are cyclical, but believe that over the long-term an investor prospers by maintaining a disciplined and focused approach. We believe investment success can be achieved by purchasing high quality growth stocks when our research identifies one or more under appreciated opportunities.

PERFORMANCE

RETURNS (AS OF 3/31/10)*

	Inception Date	3 Month	YTD	1 Year	3 Year	Since Inception
Class A	08/07/06	3.48%	3.48%	46.81%	-1.66%	2.85%
Class C NAV	08/07/06	3.26%	3.26%	45.78%	-2.29%	2.20%
w/CDSC	08/07/06	2.26%	2.26%	44.78%	-2.29%	2.20%
Class I	11/02/09	3.51%	3.51%	-	-	11.93%
Russell 1000® Growth Index		4.65%	4.65%	49.75%	-0.78%	2.95%**

Performance data quoted represent past performance, which does not guarantee future results. The 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 higher or lower than quoted. Most recent month-end performance may be obtained by calling 877-224-7071.

Effective March 1, 2010, the Class A shares 4.25% front end sales charge was eliminated. The effect of the sales load is not reflected in the total return figures. If it was, the performance quoted would be reduced.

Performance data shown for Class C shares w/CDSC reflects the maximum deferred sales charge of 1.00% that is assessed if shares are sold within 12 months of purchase. Performance data shown at NAV does not reflect the deduction of the sales loads or fees. If reflected, the load or fee would reduce the performance quoted.

*Returns one year and longer are annualized.

**Since inception return is as of the fund's Class A inception date for the index.

GENERAL INFORMATION

	CLASS A	CLASS C	CLASS I
NAV (as of 3/31/10)	\$25.31	\$24.71	\$25.34
Maximum Sales Charge	None	None	None
Maximum Deferred Sales Charge	None	1.00%	None
Dividends Paid	Quarterly	Quarterly	Quarterly
Initial Minimum Investment	\$2,500	\$2,500	\$100,000
Gross Expense Ratio	1.49%	2.24%	1.24%
Net Expense Ratio [^]	1.45%	2.20%	1.20%

[^]The Investment Advisor has contractually agreed to reduce its fees of the Fund until October 31, 2010. Investment performance reflects fee waivers, in the absence of such waivers, total return would be reduced.

FUND FACTS

	Inception Date	CUSIP	Ticker
CLASS A	08/07/06	493522205	KLGA
CLASS C	08/07/06	493522304	KLGCX
CLASS I	11/02/09	493522106	KLGI

FUND CHARACTERISTICS

Total Net Assets	\$196.9 million
Number of holdings	46
Weighted Average Market Cap	\$60.6 Billion
Median Market Cap	\$26.5 Billion
Est. 3-5 yrs. EPS Growth	15.61
P/E (forward 4Q)	15.46

TOP 10 HOLDINGS

Apple Computer, Inc.	6.88%
Hewlett-Packard Co.	6.04%
Adobe Systems, Inc.	5.05%
Qualcomm, Inc.	4.42%
Oracle Corporation	4.32%
Gilead Sciences, Inc.	3.69%
Philip Morris International, Inc.	3.58%
The Western Union Company	3.34%
Honeywell International, Inc.	3.13%
Monsanto Co.	3.02%

EQUITY SECTOR WEIGHTINGS

Technology Software	24.11%
Health Care Products	13.64%
Consumer Merchandising	13.16%
Technology Services	12.15%
Industrials	10.67%
Energy	9.32%
Consumer Staples	7.59%
Financial Institutions	5.39%
Materials	3.06%
Utilities	0.91%

QUARTERLY FUND COMMENTARY

The US equity markets continued to climb a wall of worry, overcoming many headwinds to economic growth. We have been encouraged by many economic data points which are pointing toward a cyclical recovery.

A key driver for the US equity markets in the near term will be the robustness of the earnings carry through to 2011 and beyond. Despite significant reservations about the current direction of government policy regarding entitlement spending, taxation, and regulation, we remain optimistic that the market should grind higher. Today's valuations provide an attractive starting point. The cyclical recovery in demand should continue. Finally, emerging market demand is becoming increasingly important to global gross domestic product (GDP), and specifically to US exporters and the US economy.

The deleveraging of US consumers and the emergence of an enormous middle class in China and other developing economies should begin to change the nature of this and future economic recoveries from past ones where US consumers with ready access to credit drove global economic cycles. If the Chinese government allows the Renminbi to begin to appreciate again, millions of Chinese consumers will enjoy greater purchasing power. Apple iPhones, Colgate toothpaste, Disney movies, General Mills cereal, and Guess jeans will not seem quite as expensive to consumers. Cessna business jets (from Textron), Terex aerial work platforms, and Hewlett Packard servers will cost less to Chinese businesses. Unfortunately, oil, copper, and other industrial commodities currently priced in dollars should see increased demand which in turn should drive their prices higher.

We find it difficult to make broad sector calls. We are stock pickers and, as such, we believe that we have found a number of names which collectively offer an attractive reward to risk profile relative to the market or any one sector. We are currently 460 basis points overweight the energy sector due to attractive characteristics in each of the four names we own.

Large cap tech stocks are trading at close to parity with the market, a near historical low and well below the historical average of a 27% premium, yet the long term growth expectations for the sector are still potentially above the S&P 500 Index. Our top five holdings are currently large cap technology companies because of this valuation opportunity and each company's individual product and market position.

This past quarter, we took profits in healthcare stocks and reduced our weighting back to an underweight as our perception gaps on many of the names were realized or as health insurance legislation became more likely to pass.

In total, our analysis leads us to believe that our portfolio companies should be able to grow their EPS faster than the Russell 1000 Growth Index companies and yet, we have been only paying a 3% premium in price to get this potential for faster growth. This is compelling!

Thank you for the confidence you have placed in us.

Basis point is a unit that is equal to 1/100th of 1%, and is used to denote the change in a financial instrument. Price/earnings (P/E) ratio is calculated by taking the average of the earnings per share of each stock in the Fund's portfolio divided by its per-share market value for the next four quarters. Earnings per share (EPS) is calculated by taking the total earnings divided by the number of shares outstanding. The Russell 1000 Growth Index is an unmanaged index that measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The S&P 500 Index is a broad based unmanaged index of 500 stocks, which is widely recognized as representative of the equity market in general. The indices are not available for investment and do not incur charges or expenses. Fund characteristics, holdings and sector weightings are subject to change and should not be considered a recommendation to buy or sell these securities.

The Quarterly Fund Commentary represents the opinion of Keystone Management and is not intended to be a forecast of future events, a guarantee of future results, nor investment advice.

While the funds are no-load, management and other expenses still apply. Please refer to the prospectus for further details.

Current and future holdings are subject to risk.

Mutual fund investing involves risk; principal loss is possible. The fund may concentrate its assets in fewer holdings which will expose it to increased individual stock volatility. The Fund may also purchase foreign securities or use derivatives, which involve additional risks. Please refer to the prospectus for details.

Must be preceded or accompanied by a prospectus.

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ASSET ALLOCATION



- Common Stock 97.9%
- Mutual Fund Investments 2.1%

PORTFOLIO MANAGEMENT

Thomas G. Kamp President and Chief Investment Officer of the advisor

ABOUT THE ADVISOR

Keystone Mutual Fund's investment advisor is Cornerstone Capital Management, Inc. CCM has been providing investment advisory services to institutional and high net worth clients since its founding in Minneapolis in 1993.

At the heart of Cornerstone is a collection of senior investors who have left larger firms for the opportunity to work in a nimbler, more personal environment. Our goal is to achieve long-term investment success for our clients by identifying under appreciated opportunities: quality companies, with strong fundamentals and tremendous growth opportunities, that our research shows to be undervalued.

And importantly, we will earn your trust by operating at the highest levels of professionalism and integrity, by offering the highest level of personalized service—and of course by striving to consistently deliver superior investment performance.

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