

KEYSTONE Large Cap Growth Fund



3rd Quarter 2009

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 9/30/09)*

		3 Month	YTD	1 Year	3 Year	Since Inception 8/7/06
Class A	NAV	13.19%	34.69%	6.46%	-2.01%	0.09%
	POP	8.37%	28.93%	1.91%	-3.42%	-1.28%
Class C	NAV	12.98%	33.95%	5.70%	-2.63%	-0.53%
	POP	11.98%	32.95%	4.70%	-2.63%	-0.53%
Russell 1000® Growth Index		13.97%	27.11%	-1.85%	-2.50%	-0.50%

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.

Performance data shown at POP reflects the maximum sales charge of 4.25% for Class A and the maximum deferred sales charge of 1.00% for Class C. 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.

GENERAL INFORMATION

	CLASS A	CLASS C
NAV (as of 9/30/09)	\$22.91	\$22.45
Maximum Sales Charge	4.25%	None
Maximum Deferred Sales Charge	None	1.00%
Dividends Paid	Quarterly	Quarterly
Initial Minimum Investment	\$2,500	\$2,500
Gross Expense Ratio	1.64%	2.34%
Net Expense Ratio [^]	1.50%	2.20%

[^]The Investment Advisor has contractually agreed to reduce its fees of the Fund until November 1, 2009. Investment performance reflects fee waivers, in the absence of such waivers, total return would be reduced.

FUND FACTS

	CLASS A	CLASS C
Inception date	08/07/06	08/07/06
CUSIP	493522205	493522304
Ticker	KLGAX	KLGCX

FUND CHARACTERISTICS

Total Net Assets	\$156.9 million
Number of holdings	43
Weighted Average Market Cap	49.5 Billion
Median Market Cap	25.2 Billion
Est. 3-5 yrs. EPS Growth	13.37
P/E (forward 4Q)	17.36

TOP 10 HOLDINGS

Apple Computer, Inc.	5.45%
Adobe Systems, Inc.	5.20%
Hewlett-Packard Co.	4.42%
Gilead Sciences, Inc.	4.07%
Qualcomm, Inc.	3.91%
Google, Inc.	3.47%
Philip Morris International, Inc.	3.38%
Teva Pharmaceutical Industries Ltd.	3.28%
Celegene Corp.	3.24%
General Mills, Inc.	3.18%

EQUITY SECTOR WEIGHTINGS

Technology Software	21.19%
Technology Services	15.48%
Health Care Products	13.81%
Consumer Merchandising	12.85%
Consumer Staples	11.22%
Industrials	8.68%
Energy	7.57%
Financial Institutions	5.97%
Materials	3.23%

QUARTERLY FUND COMMENTARY

The Keystone Fund portfolio has strongly outperformed its benchmark year to date. We believe the worst of the credit crisis and economic uncertainty is behind us. There is light at the end of the tunnel, however, that light is dim due to the distance that must be travelled before we can get close to "normalized earnings". Consequently, some of the aggressiveness has been removed from the portfolio.

The market rally was driven by a decidedly positive turn in many economic statistics and a redeployment of investor cash from low yielding fixed income securities back into the equity markets. Many investors that called for pullbacks indicated that they would "buy the dip" – so the dip never came. Finally, due to the rapid cost cutting that most companies instituted, we believe operating leverage will generate higher profit margins as demand returns.

Investors are expecting a continued strong profit recovery, yet that recovery may be a little farther down the tunnel. Cash for Clunkers stimulated demand in August; however, sales are collapsing now that the program has ended. Expectations are starting to be missed: durable goods orders, existing house sales, and the money supply all were weaker than expected as reported in the last two weeks. Unemployment is likely to hover near 10% for the foreseeable future, credit extensions are not likely to reignite consumer spending as in the past, and significant new government regulations and mandates may begin to take hold crimping capital formation and investment, profitability, job growth, and economic growth in this country.

We maintain our belief that it will take years to rebuild the balance sheets of American consumers. Therefore, economic growth in this country will most likely be slower than that seen in past years. Consequently, we expect the market to punish any company that reports an in-line or miss for the third quarter. Over the next two quarters, we expect the market to move from focusing on cyclical companies that are experiencing an earnings recovery to a focus on those companies that can generate earnings growth. We believe consumer staples companies and healthcare companies, which have been out of favor recently, should begin to outperform driven by consistent earnings growth.

We continue to favor strong multinational companies that are leveraged to the faster economic growth in resource rich developing countries. We believe US consumers, without access to enlarged credit lines, won't be able to power the global economy as they have in the past. Furthermore, economic growth from China, Brazil and others are putting significant new demands on the world's commodity supplies. Resource rich developing countries should benefit from high prices of these global commodities. We believe the US dollar should fall in value even if interest rates rise. We believe the purchasing power of emerging market consumers will grow and global brands will be favored. The portfolio is composed of many companies that are potential beneficiaries of these themes.

Price to Book (P/B) Ratio compares a stock's market value to the value of total assets less total liabilities. The P/B ratio is calculated by dividing the current price of the stock by the company's book value per share. 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 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.

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 97.5%
- Interest Bearing Short Term 2.5%

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 it's 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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