

KEYSTONE Large Cap Growth Fund



4th 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 12/31/09)*

		Inception Date	3 Month	YTD	1 Year	3 Year	Since Inception
Class A	NAV	08/07/06	6.77%	43.80%	43.80%	-1.76%	2.03%
	POP	08/07/06	2.21%	37.65%	37.65%	-3.17%	0.74%
Class C	NAV	08/07/06	6.59%	42.78%	42.78%	-2.37%	1.40%
	POP	08/07/06	5.59%	41.78%	41.78%	-2.37%	1.40%
Class I	NAV	11/02/09	-	-	-	-	8.13%
Russell 1000® Growth Index			7.94%	37.21%	37.21%	-1.89%	1.80%**

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.

**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 12/31/09)	\$24.46	\$23.93	\$24.48
Maximum Sales Charge	4.25%	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	1.54%	2.24%	1.24%
Net Expense Ratio [^]	1.50%	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	KLGC
CLASS I	11/02/09	493522106	KLGI

FUND CHARACTERISTICS

Total Net Assets	\$185.8 million
Number of holdings	49
Weighted Average Market Cap	58.2 Billion
Median Market Cap	25.9 Billion
Est. 3-5 yrs. EPS Growth	13.7
P/E (forward 4Q)	16.60

TOP 10 HOLDINGS

Apple Computer, Inc.	6.14%
Hewlett-Packard Co.	5.88%
Adobe Systems, Inc.	5.12%
Qualcomm, Inc.	4.23%
Gilead Sciences, Inc.	3.96%
Teva Pharmaceutical Industries Ltd.	3.94%
Google, Inc.	3.77%
Monsanto Co.	3.30%
Celgene Corp.	3.27%
Petrohawk Energy Corp.	3.13%

EQUITY SECTOR WEIGHTINGS

Technology Software	20.19%
Health Care Products	18.93%
Technology Services	12.63%
Consumer Merchandising	12.53%
Consumer Staples	8.91%
Industrials	8.88%
Energy	8.22%
Financial Institutions	5.34%
Materials	3.35%
Utilities	1.02%

QUARTERLY FUND COMMENTARY

We are pleased to report strong performance for the Keystone Large Cap Growth Fund in 2009. The Fund, up 43.80% (A shares at NAV) significantly outperformed the unmanaged Russell 1000 Growth Index up 37.21%. It is particularly gratifying that virtually all of the outperformance came from stock selection rather than sector allocation. This is consistent with our long term history of individual stock picking combined with active trading around core positions.

A year ago, the pillars of our financial system were collapsing around us. By July, the economy found a base from which to grow again. The current extremely steep yield curve generally points to an accelerating economy. However, we believe there are some significant headwinds that the economy will have to overcome in coming quarters: consumer credit contraction, stubbornly high unemployment, low industrial capacity utilization, unwinding of the Fed's balance sheet purchases and easy monetary policy, trillion dollar deficits, and anticompetitive government policy.

While a double-dip recession is not anticipated, we believe that investor sentiment will probably turn negative before long, providing a bumpier ride than experienced during the last nine months of strong upward movement. From a valuation perspective, the market is currently trading at approximately 15.6 times the consensus 2010 EPS of the S&P500. This valuation is reasonable by historical standards considering the low level of interest rates we currently have, but as described above, we face bigger headwinds. The consensus estimates for 2011 are calling for 20.9% EPS growth, which seems pretty high to us.

We believe that the leading economic indicators will peak sometime in the first half of 2010 and begin to roll over. In that circumstance, we anticipate that investors' preference will shift from companies experiencing a cyclical recovery to companies exhibiting longer term more stable revenue growth. We believe near term positive estimate revisions at the individual company level will most likely become more important than a longer term macro call on a cyclical industrial recovery.

Consequently, in an effort to "skate to where the puck is going", we have reduced the weighting of financial stocks from an 800 basis point (bps) overweight early in 2009 to a benchmark weight and have increased the weighting of healthcare stocks from a 300 bps underweight to a nearly 300 bps overweight currently. Healthcare stocks appear very attractive to us due to their very high free cash flow multiples. Technology stocks also continue to be attractive on a free cash flow multiple basis.

In addition, over the course of the last few months, we reduced our underweight of consumer staples stocks from over 900 bps in March to 670 bps currently. We believe the market is transitioning from one focused on a cyclical recovery to a more normal environment where earnings revisions drive share prices. Once again, these moves are intended to skate to where we believe the puck is moving.

Thank you for the confidence you have placed in us.

Free cash flow measures the cash generating capability of a company by adding non-cash charges (e.g. depreciation) and interest expense to pretax income. 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.

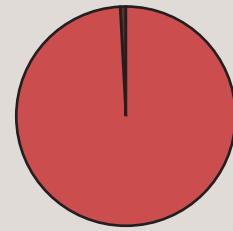
Current and future holdings are subject to risk.

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 99.2%
- Mutual Fund Investments 0.8%

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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KEYSTONE
MUTUAL FUNDS

