

INVESTMENT ADVISER

CAPITAL GROWTH MANAGEMENT
LIMITED PARTNERSHIP

Boston, Massachusetts 02110

CUSTODIAN OF ASSETS

STATE STREET BANK AND TRUST COMPANY
Boston, Massachusetts 02111

TRANSFER AGENT

DST ASSET MANAGER SOLUTIONS, INC.
P.O. Box 219252
Kansas City, Missouri 64121-9252

CGM Mutual Fund

366th Quarterly Report
September 30, 2021

A No-Load Fund

This report has been prepared for the shareholders of the Fund and is not authorized for distribution to current or prospective investors in the Fund unless it is accompanied or preceded by a prospectus.

MQR321

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To Our Shareholders:

CGM Mutual Fund increased 0.5% during the third quarter of 2021 compared to a return of 0.6% for the Standard and Poor's 500 Index (S&P 500 Index) and 0.0% for the ICE BofAML U.S. Corporate, Government and Mortgage Index*. For the first nine months of the year, CGM Mutual Fund increased 23.4%, the S&P 500 Index returned 15.9% and the ICE BofAML U.S. Corporate, Government and Mortgage Index returned -1.7%.

Strong market performance through the first half of the year continued into the third quarter. Stocks surged in early July as improving employment numbers reflected a U.S. economy continuing to strengthen. The Labor Department reported the addition of 850,000 new jobs in June along with rising hourly wages. Growth stocks led the way as they tend to outperform the market when bond yields are low. However, by the middle of the month inflation concerns began to weigh on investors. Growing consumer demand pushed the Consumer Price Index up 5.4% for the twelve months ended in June which represented the largest inflationary increase in thirteen years and was driven by recoveries in the travel, entertainment and recreation industries along with federal pandemic aid dollars filtering into the economy. The Labor Department's Producer Price Index, which measures the change in prices charged by suppliers to businesses, recorded its largest gain ever in June jumping 7.3% for the trailing twelve months. The Commerce Department reported retail sales, which had declined earlier in the spring, crept up 0.6% for the month of June as the economy continued to gradually reopen. Stocks ultimately rebounded on news that second quarter GDP surged 6.7%, pushing the U.S. economy above its size before the onset of the pandemic.

The market remained in record high territory through much of August despite a slump in

consumer demand. Increasing numbers of COVID-19 Delta variant cases and the threat of expanded or reintroduced travel restrictions in some parts of the U.S. dampened social activity and briefly depressed retailers and other cyclical stocks. Minutes of the July Federal Reserve Board meeting disclosed a growing concern that inflation could be more persistent and stronger than previously expected and a willingness by the Fed to begin the process of reversing its easy money policies before the end of the year by scaling back its monthly bond purchases. Stocks dropped in response to the news but soon rebounded, boosted by the FDA's final approval of Pfizer's COVID-19 vaccine. In late August Fed Chairman Jerome Powell confirmed the Fed's plans to begin tapering its bond purchases by year-end but also cautioned that the Fed should not overreact to the recent jump in inflation. The market applauded and the S&P 500 closed above 4,500 for the first time ever to finish August with a solid 2.9% increase for its seventh consecutive month of positive returns.

By early September stocks pulled back on indications of a slowdown in the economic recovery. The spreading Delta variant persuaded some local governments to reinstate capacity restrictions and mask requirements cutting into spending on leisure and travel. The Labor Department reported U.S. employment growth slowed in August, with employers adding just 235,000 new jobs. But the unemployment rate dropped to 5.2%, its lowest level since the beginning of the pandemic. Weekly jobless claims continued to remain relatively low suggesting the labor demand eclipsed the impact of increasing COVID-19 cases. The Consumer Price Index increased 0.3% for the month of August, indicating

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the pace of inflation had slowed slightly from readings in June and July but overall remained robust. On September 20 the market sold off on emerging troubles in China's property market and the potential repercussions on the Chinese and global economies. Stocks briefly recovered, bolstered by the strength of financials and the energy sector, which has benefitted from rising crude oil prices. The Fed confirmed it will likely begin reversing its pandemic stimulus program before the end of the year which pushed bond yields higher. Technology and growth stocks suffered losses in response and pulled the broader market down at the close of the quarter. By month-end the S&P 500 dropped 4.8%, registering its largest decline since the first month of the pandemic.

The yield on the 10-year U.S. Treasury bond was 1.5% at the beginning and end of the third quarter though it dropped as low as 1.2% midway through the quarter on concerns the economic recovery would be slowed by the spreading Delta variant and subsequently rebounded on evidence of resilient consumer demand and rising inflation. The S&P 500 was priced at 27.1 times the trailing twelve-month earnings at the end of the quarter. While the overall market remains expensive, we believe that the continuation of the economic recovery will offer the potential for significant investment opportunities.

On September 30, 2021, CGM Mutual Fund was 27.0% invested in short-term U.S. Treasury Notes. The three largest industry positions in the equity portion of the portfolio were in oil – independent production, retail and healthcare services. The Fund's three largest equity holdings were Signet Jewelers Limited (retail), Jones Lang LaSalle Incorporated (real estate services) and Diamondback Energy, Inc. (oil – independent production).



David C. Fietze
President

October 1, 2021

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INVESTMENT PERFORMANCE

(unaudited)

Total Returns for Periods Ended September 30, 2021

	The Fund's Cumulative Total Return (%)	The Fund's Average Annual Total Return (%)
10 Years	+ 125.4	+ 8.5
5 Years	+ 54.0	+ 9.0
1 Year	+ 37.7	+ 37.7
3 Months	+ 0.5	—

The performance data contained in the report represent past performance, which is no guarantee of future results. The table above does not reflect the deduction of taxes a shareholder would pay on Fund distributions or the redemption of Fund shares and assumes the reinvestment of all Fund distributions.

The investment return and the principal value of an investment in the Fund will fluctuate so that investors' shares, when redeemed, may be worth more or less than their original cost. Current performance may be higher or lower than the performance data quoted.

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SCHEDULE OF INVESTMENTS as of September 30, 2021

(unaudited)

COMMON STOCKS — 71.7% OF TOTAL NET ASSETS

	Shares	Value(a)
Aluminum — 3.3%		
Alcoa Inc. (b)	220,000	\$ 10,766,800
Auto and Related — 3.2%		
AutoNation, Inc. (b)	45,000	5,479,200
Penske Automotive Group, Inc.	50,000	5,030,000
		10,509,200
Auto Rental — 3.2%		
Avis Budget Group, Inc. (b)	90,000	10,485,900
Biotechnology — 2.6%		
Moderna, Inc. (b)	22,000	8,466,920
Consumer Products — 0.6%		
Rent-A-Center, Inc.	35,000	1,967,350
Consumer Staples — 3.8%		
CVS Caremark Corporation	145,000	12,304,700
Financial Services - Miscellaneous — 4.2%		
OneMain Holdings, Inc.	245,000	13,555,850
Health Care Services — 6.7%		
HCA Holdings, Inc.	25,000	6,068,000
Select Medical Holdings Corporation	435,000	15,733,950
		21,801,950
Home Products — 4.6%		
Whirlpool Corporation	73,000	14,881,780
Insurance — 4.4%		
Prudential Financial, Inc.	135,000	14,202,000

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SCHEDULE OF INVESTMENTS as of September 30, 2021 (continued)

(unaudited)

COMMON STOCKS (continued)

	Shares	Value(a)
Machinery — 2.6%		
Textron Inc.	120,000	\$ 8,377,200
Oil - Independent Production — 12.1%		
Callon Petroleum Company (b)	80,000	3,926,400
Continental Resources, Inc.	30,000	1,384,500
Diamondback Energy, Inc.	180,000	17,040,600
EOG Resources, Inc.	180,000	14,448,600
Ovintiv Inc.	70,000	2,301,600
		<u>39,101,700</u>
Oil Refining — 3.4%		
ConocoPhillips	160,000	<u>10,843,200</u>
Paper Products/Consumer — 1.0%		
West Fraser Timber Co. LTD.	40,000	<u>3,369,200</u>
Real Estate Services — 5.4%		
Jones Lang LaSalle Incorporated (b)	70,000	<u>17,366,300</u>
Retail — 10.6%		
Signet Jewelers Limited	234,652	18,528,122
The Buckle, Inc.	280,000	11,085,200
The Children's Place Retail Stores, Inc. (b)	65,000	4,891,900
		<u>34,505,222</u>
TOTAL COMMON STOCKS (Identified cost \$225,970,579)		<u>232,505,272</u>

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SCHEDULE OF INVESTMENTS as of September 30, 2021 (continued)

(unaudited)

BONDS — 27.0% OF TOTAL NET ASSETS

United States Treasury — 27.0%	Face Amount	Value(a)
United States Treasury Notes, 0.125%, 11/30/2022	\$ 32,000,000	\$ 31,995,000
United States Treasury Notes, 0.125%, 01/31/2023	21,500,000	21,489,922
United States Treasury Notes, 0.125%, 06/30/2023	6,000,000	5,989,219
United States Treasury Notes, 0.125%, 01/15/2024	7,000,000	6,961,992
United States Treasury Notes, 0.250%, 09/30/2023	10,000,000	9,991,797
United States Treasury Notes, 0.375%, 03/31/2022	11,000,000	11,017,187
TOTAL BONDS (Identified cost \$87,479,536)		87,445,117
TOTAL INVESTMENTS — 98.7% (Identified cost \$313,450,115)(c)		319,950,389
Cash and receivables		14,456,080
Liabilities		(10,298,649)
TOTAL NET ASSETS — 100.0%		<u>\$ 324,107,820</u>

(a) Security valuation — Equity securities are valued on the basis of valuations furnished by a pricing service, authorized by the Board of Trustees (the “Board”). Equity securities listed or regularly traded on a securities exchange or in the over-the-counter (“OTC”) market are valued at the last quoted sale price or, for certain markets, the official closing price at the time the valuations are made. A security that is listed or traded on more than one exchange is valued at the quotation on the exchange determined to be the primary market for such security. For securities with no sale reported, the last reported bid price is used. Corporate debt securities are valued on the basis of valuations furnished by a pricing service, authorized by the Board, which determines valuations for normal, institutional-size trading units of such securities using market information, transactions for comparable securities and various relationships between securities which are generally recognized by institutional traders. United States government debt securities are valued at the current closing bid, as last reported by a pricing service approved by the Board.

When current market prices or quotations are not readily available or do not accurately reflect fair value, valuations may be determined in accordance with procedures adopted by the Board. For example, when developments occur between the close of a market and the close of the New York Stock Exchange (“NYSE”) that may materially affect the value of some or all of the securities, or when trading in a security is halted, these procedures may be used. The frequency with which these procedures are used is unpredictable. These valuation procedures may result in a change to a particular security’s assigned level

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within the fair value hierarchy described below. The value of securities used for net asset value (“NAV”) calculation under these procedures may differ from published prices for the same securities.

The Fund may use valuation techniques consistent with the market, income, and cost approach to measure fair value. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts (cash flows, earnings) to a single present amount. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset. To increase consistency and comparability in fair value measurements and related disclosure, the Fund utilizes a fair value hierarchy which prioritizes the various inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 - Prices determined using: quoted prices in active markets for identical securities that the Fund has the ability to access at the measurement date. Valuation adjustments are not applied to Level 1 investments.
- Level 2 - Prices determined using: other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.).
- Level 3 - Prices determined using: significant unobservable inputs, including the Fund’s own assumptions and judgment in determining the fair value of investments. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Fund’s own assumptions about the factors market participants would use in pricing an investment, and would be based on the best information available in the circumstances. Investments falling into the Level 3 category are primarily supported by quoted prices from brokers and dealers participating in the market for those investments. However, these may be classified as Level 3 investments due to lack of market transparency and corroboration to support these quoted prices. Additionally, valuation models may be used as the pricing source for any remaining investments classified as Level 3. These models rely on one or more significant unobservable inputs and/or significant assumptions by Capital Growth Management Limited Partnership, the Fund’s investment adviser (“CGM”). Inputs used in valuations may include, but are not limited to, financial statement analysis, capital account balances, discount rates and estimated cash flows, and comparable company data.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The following is a summary of the inputs used to value the Fund’s investments as of September 30, 2021:

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Classification	Valuation Inputs		
	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs
Investments in Securities-Assets			
Common Stocks*	\$ 232,505,272	—	—
Bonds			
United States Treasury Notes	—	\$ 87,445,117	—
Total:	<u>\$ 232,505,272</u>	<u>\$ 87,445,117</u>	<u>—</u>

* All common stocks held in the Fund are Level 1 securities. For a detailed break-out of common stocks by major industry classification, please refer to the Schedule of Investments.

- (b) Non-income producing security.
- (c) Federal Tax Information: At September 30, 2021, the net unrealized appreciation on investments based on cost of \$317,654,049 for Federal income tax purposes was as follows:

Aggregate gross unrealized appreciation for all investments in which there is an excess of value over tax cost	\$ 11,643,494
Aggregate gross unrealized depreciation for all investments in which there is an excess of tax cost over value	(9,347,154)
	<u>\$ 2,296,340</u>

The cost basis and unrealized appreciation/(depreciation) for the Schedule of Investments and tax purposes differ due to differing treatments of wash sale losses deferred.

TELEPHONE NUMBERS

For information about:

- Account Procedures
- Purchases
- Redemptions
- Exchanges

Call 800-343-5678

- New Account Procedures and Status
- Prospectuses & SAI
- Performance
- Proxy Voting Policies and Voting Records
- Complete Schedule of Portfolio Holdings for the 1st and 3rd Quarters (as filed on Form N-PORT)

Call 800-345-4048

Proxy voting policies also appear in the Fund's Statement of Additional Information, which can be found on the CGM Fund's website, www.cgmfund.com, and the SEC's website, www.sec.gov. The voting records can also be found on the SEC's website on the Fund's Form N-PX filing.

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-PORT, which is available on the SEC's website at www.sec.gov. The Fund's four most recent quarterly reports can be obtained on the CGM Funds' website, www.cgmfund.com.

MAILING ADDRESS

The CGM Funds
c/o DST Asset Manager Solutions, Inc.
P.O. Box 219252
Kansas City, MO 64121-9252

WEBSITE

www.cgmfund.com