

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

356th Quarterly Report
March 31, 2019

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.

MQR119

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Investment Adviser

Capital Growth Management
Limited Partnership

To Our Shareholders:

CGM Mutual Fund returned 7.2% during the first quarter of 2019 compared to a return of 13.7% for the Standard and Poor's 500 Index (S&P 500 Index) and 3.0% for the ICE BofAML U.S. Corporate, Government and Mortgage Index*.

Following a difficult end to 2018 and despite a continuing government shutdown, U.S. stocks surged into positive territory in early 2019. While European and Asian economies showed signs of emerging stress, the U.S. economy continued to grow. In January the Labor Department reported a monthly increase of 312,000 jobs in December along with a substantial increase in average hourly earnings, up 3.2% for the year 2018. The unemployment rate remained historically low at 3.9%. The Labor Department's Producer Price Index dropped 0.2% for the month of December and inflation remained subdued. While oil prices rose through the first quarter, the price of Brent crude, the global benchmark, remained well below its October 2018 high of \$86.29. The market continued to shrug off the longest government shutdown in history which finally ended January 25, and later in January the market welcomed the news that the Federal Reserve would hold interest rates steady with no plans to raise rates at upcoming meetings. The Fed cited slowing global growth and the continuing trade dispute between the U.S. and China as its reasons for caution. The S&P 500 finished January with a return of 7.9% for its best monthly increase in more than three years.

In early February, global stocks continued to move higher in response to unexpectedly strong earnings reports that lessened concerns about an economic slowdown. U.S. stocks also advanced on signs of

progress in ongoing trade negotiations between the U.S. and China. In response to China's pledge to increase purchases of U.S. farm and energy products and services, ease restrictions on U.S. financial firms and auto manufacturers and increase the protection of U.S. intellectual property rights, the Trump administration agreed to extend its deadline for a trade deal with China and not impose a 25% increase in tariffs on \$200 billion of Chinese goods. The Fed reaffirmed its "wait and see" policy and jobs data remained strong. On February 28, the Commerce Department reported Real GDP increased a solid 2.9% in 2018 and the S&P 500 Index celebrated the month's mostly positive news by adding another 3.0% in February.

Stocks were dragged down in the first week of March in response to new signs of slowing global growth and impatience with trade negotiations between the U.S. and China. Markets were also shaken by the European Central Bank's attempt to boost its economy by announcing that it would hold its interest rates unchanged through the end of the year. U.S. stocks pulled back on a surprisingly weak report issued by the Labor Department on March 8 that showed the U.S. added only 20,000 jobs in February. The Fed reported that U.S. manufacturing slowed with factory output declining by 0.4% in February after dropping 0.5% in January. At month-end, after a substantial government shutdown precipitated delay, the Commerce Department reported personal consumption expenditures increased only 0.1% in January after falling 0.6% in December, signifying moderating growth. However, the Labor Department reported that worker productivity, which directly impacts wages and

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output, increased a robust 1.9% in the fourth quarter of 2018. Inflation remained muted and the Commerce Department's Consumer Price Index increased only 1.5% for the twelve months ended in February. Despite conflicting economic indicators, the S&P 500 managed to gain 1.8% for the month of March and closed with its biggest quarterly gain since 2009.

The 10-year U.S. Treasury bond yielded 2.7% at the start of the quarter and fell to 2.4% at the end. The yield was largely unchanged for much of the first quarter as positive economic indicators and stock market performance outweighed any evidence of an economic slowdown. The yield moved lower towards the end of March in response to significant drops in foreign government bond yields, the European Central Bank's decision to artificially control interest rates through 2019 and low inflation rates in the U.S. The S&P 500 was priced at 18.9 times the trailing twelve month earnings at the end of the first quarter. Continued economic growth in the U.S. as compared to signs of weakness in the global economy should continue to provide favorable investment opportunities.

On March 31, 2019 CGM Mutual Fund was 26.2% invested in short-term U.S Treasury Notes. The three largest industry positions in the equity portion of the portfolio were in money center banks, oil refining and oil - independent production. The Fund's three largest equity holdings were Banco Bradesco S.A. ADR (money center bank), Petroleo Brasileiro S.A. - Petrobras ADR (oil - independent production) and Itau Unibanco Holding S.A. ADR (money center bank).



David C. Fietze
President

April 1, 2019

*The index data referenced herein is the property of ICE Data Indices, LLC, its affiliates ("ICE Data") and/or its Third Party Suppliers and has been licensed for use by Capital Growth Management Limited Partnership. ICE Data and its Third Party Suppliers accept no liability in connection with its use. See prospectus for a full copy of the Disclaimer.

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INVESTMENT PERFORMANCE

(unaudited)

Total Returns for Periods Ended March 31, 2019

	The Fund's Cumulative Total Return (%)	The Fund's Average Annual Total Return (%)
10 Years	+ 106.7	+ 7.5
5 Years	+ 22.7	+ 4.2
1 Year	- 8.1	- 8.1
3 Months	+ 7.2	—

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 March 31, 2019

(unaudited)

COMMON STOCKS — 72.6% OF TOTAL NET ASSETS

	Shares	Value(a)
Aerospace/Defense — 2.0%		
Northrop Grumman Corporation	25,000	\$ 6,740,000
Banks - Money Center — 21.1%		
Banco Bradesco S.A. ADR (b)	2,735,000	29,838,850
Banco Santander (Brasil) S.A. ADR (b)	1,610,000	18,080,300
Itau Unibanco Holding S.A. ADR (b)	2,745,000	24,183,450
		<u>72,102,600</u>
Beverages and Tobacco — 2.6%		
Altria Group, Inc.	155,000	8,901,650
Commercial Banks — 0.8%		
Bank of America Corporation	100,000	2,759,000
Electronic and Communication Equipment — 6.5%		
Zebra Technologies Corporation (c)	105,000	22,000,650
Financial Services - Miscellaneous — 2.6%		
PagSeguro Digital Ltd. (b)(c)	300,000	8,955,000
Food - Retailers and Wholesalers — 3.8%		
Companhia Brasileira de Distribuicao ADR (b)	560,000	13,036,800
Housing and Building Materials — 4.2%		
D.R. Horton, Inc.	230,000	9,517,400
Lennar Corporation	100,000	4,909,000
		<u>14,426,400</u>
Oil - Independent Production — 8.8%		
Continental Resources, Inc. (c)	30,000	1,343,100
Petroleo Brasileiro S.A. - Petrobras ADR (b)	1,800,000	28,656,000
		<u>29,999,100</u>

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SCHEDULE OF INVESTMENTS as of March 31, 2019 (continued)

(unaudited)

COMMON STOCKS (continued)

	Shares	Value(a)
Oil Refining — 10.1%		
Marathon Petroleum Corporation	60,000	\$ 3,591,000
PBF Energy Inc.	110,000	3,425,400
Phillips 66	145,000	13,799,650
Valero Energy Corporation	160,000	13,572,800
		<u>34,388,850</u>
Retail — 5.0%		
Dollar Tree, Inc. (c)	115,000	12,079,600
Kohl's Corporation	55,000	3,782,350
Tiffany & Co.	10,000	1,055,500
		<u>16,917,450</u>
Steel — 5.1%		
Companhia Siderurgica Nacional ADR (b)(c)	4,250,000	17,467,500
		<u>17,467,500</u>
TOTAL COMMON STOCKS (Identified cost \$236,539,874)		<u>247,695,000</u>

BONDS — 26.2% OF TOTAL NET ASSETS

	Face Amount	
United States Treasury — 26.2%		
United States Treasury Notes, 1.250%, 05/31/2019	\$ 7,000,000	6,985,977
United States Treasury Notes, 1.250%, 08/31/2019	4,000,000	3,979,375
United States Treasury Notes, 1.875%, 12/15/2020	68,000,000	67,482,031
United States Treasury Notes, 2.250%, 02/29/2020	4,000,000	3,994,375
United States Treasury Notes, 2.500%, 02/28/2021	7,000,000	7,027,070
		<u>89,468,828</u>
TOTAL BONDS (Identified cost \$89,228,826)		<u>89,468,828</u>

SHORT-TERM INVESTMENT — 2.4% OF TOTAL NET ASSETS

Tri-party Repurchase Agreement with Fixed Income Clearing Corporation, dated 03/29/2019 at 0.50% to be repurchased at \$8,090,000 on 04/01/2019 collateralized by \$7,685,000 U.S. Treasury Bond, 3.125% due 05/15/2048 valued at \$8,239,030 including interest. (Cost \$8,090,000)(d)	8,090,000	8,090,000
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TOTAL INVESTMENTS — 101.2% (Identified cost \$333,858,700)(e)		345,253,828
Cash and receivables		14,864,222
Liabilities		<u>(18,984,239)</u>
TOTAL NET ASSETS — 100.0%		<u>\$341,133,811</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 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

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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 March 31, 2019:

Classification	Valuation Inputs		
	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs
Investments in Securities-Assets			
Common Stocks*	\$ 247,695,000	—	—
Bonds			
United States Treasury Notes	—	\$ 89,468,828	—
Short-Term Investment			
Repurchase Agreement	—	8,090,000	—
Total:	<u>\$ 247,695,000</u>	<u>\$ 97,558,828</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) At March 31, 2019, the Fund had approximately 38.5% of net assets invested in companies incorporated in Brazil and had less than 5.0% invested in a company incorporated in Cayman Islands.
- (c) Non-income producing security.
- (d) The Fund enters into repurchase agreements, under the terms of a Master Repurchase Agreement, secured by U.S. Government or Agency securities, which involve the purchase of securities from a counterparty with a simultaneous commitment to resell the securities at an agreed upon date and price. Certain repurchase

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agreements are tri-party arrangements whereby the collateral is held in a segregated account for the benefit of the Fund and on behalf of the counterparty. Repurchase agreements afford the Fund the opportunity to earn a return on temporarily available cash at minimal market risk. While the underlying security may be a bill, certificate of indebtedness, note or bond issued by an agency, authority or instrumentality of the U.S. Government, the obligation of the seller is not guaranteed by the U.S. Government and there is a risk that the seller may fail to repurchase the underlying security. Consequently, there may be possible delays or restrictions upon the Fund's ability to dispose of the underlying securities. Upon an event of default under the Master Repurchase Agreement, the Fund would attempt to exercise its rights with respect to the underlying security, including taking possession of the cash and/or collateral provided by the seller. At March 31, 2019, the Fund had an investment in a repurchase agreement for which the value of the related collateral exceeded the value of the repurchase agreement.

- (e) Federal Tax Information: At March 31, 2019, the net unrealized appreciation on investments based on cost of \$335,076,239 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	\$ 16,932,401
Aggregate gross unrealized depreciation for all investments in which there is an excess of tax cost over value	<u>(6,754,812)</u>
	<u>\$ 10,177,589</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.

ADR: American Depositary Receipt - a certificate issued by a U.S. bank representing the right to receive securities of the foreign issuer described. The values of ADRs are significantly influenced by trading on exchanges not located in the United States or Canada.

TELEPHONE NUMBERS

For information about:

- Account Procedures
- Purchases
- Redemptions
- Exchanges

Call 800-343-5678

- New Account Procedures and Status
- Prospectuses
- 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.cgmfunds.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.

Effective May 2019, 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. The Fund's Forms N-PORT are available on the SEC's website at www.sec.gov.

MAILING ADDRESS

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

WEBSITE

www.cgmfunds.com