

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

TELEPHONE NUMBERS

For information about:

- Account Procedures
- Purchases
- Redemptions
- Exchanges
Call 800-343-5678
- New Account Procedures and Status
- Prospectus & SAI
- Performance
- Proxy Voting Policies and Voting Records
- Complete Schedule of Portfolio Holdings
for the 1st & 3rd Quarters
Call 800-345-4048

MAILING ADDRESS

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

WEBSITE

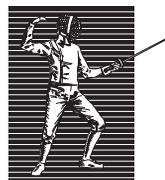
www.cgmfunds.com

CGM Mutual Fund

91st Annual Report
December 31, 2020

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.



Investment Adviser

**Capital Growth Management
Limited Partnership**

To Our Shareholders:

CGM Mutual Fund increased 11.5% during the fourth quarter of 2020, compared to the Standard and Poor's 500 Index (S&P 500 Index) which increased 12.2% and the ICE BofAML U.S. Corporate, Government and Mortgage Index* which returned 0.6% over the same period. For the twelve months ended December 31, 2020, CGM Mutual Fund increased 8.3% the S&P 500 Index increased 18.4% and the ICE BofAML U.S. Corporate, Government and Mortgage Index returned 7.6%.

The Year in Review and Economic Outlook

The COVID-19 pandemic dominated all aspects of life and society in 2020, with drastic consequences for both the U.S. and global economies. By mid-February, economic activity around the world was contracting as governments ordered lockdowns and businesses ceased operations in an attempt to curtail the spread of the virus. U.S. stocks tumbled into correction territory and from February 24 to February 28 suffered their worst week since the 2008 financial crisis. Stocks continued to plunge into March and on March 12 the S&P 500 Index shed 9.5%, plummeting into bear market territory and ending the longest bull market run in U.S. history. The Federal Reserve Board reduced interest rates by 0.5% and ultimately reduced them again to near zero in an effort to stabilize markets and reduce the impact of mandatory lockdowns and business closures. The Fed also infused over \$1.5 trillion into the U.S. short-term funding market and established a new quantitative easing program under which it would purchase Treasury securities and mortgage-backed securities. Other central banks around the world enacted their own emergency programs to keep markets functioning and the global economy afloat. On March 27 the Coronavirus Aid, Relief and Economic Security ("CARES") Act went into effect as the largest economic stimulus package in U.S. history. However, stocks continued to slump through the remaining days of March and the S&P 500 endured its worst quarterly performance since 2008.

Retail store closures, layoffs and employee furloughs led to soaring unemployment numbers which peaked at a record 14.8% in April according to the Labor Department. A price war between Saudi

Arabia and Russia combined with shrinking oil demand drove crude prices to record lows, including a brief period where U.S. oil futures prices dropped below zero. Nevertheless, stocks rebounded strongly in April thanks in part to \$2.3 trillion in additional stimulus from the Federal Reserve and a \$484 billion U.S. government aid package to finance the Paycheck Protection Program and provide funding for hospitals and increased virus testing. Virus infection numbers declined slowly in U.S. hotspots through the late spring and weekly jobless claims steadily decreased through May as some retail and hospitality related businesses cautiously reopened. The Commerce Department reported that May retail sales grew 17.7% and new home sales increased by a surprising 16.6%. The market responded to the improving economic landscape and rebounded from its dismal first quarter. The S&P 500 Index returned 20% for its best quarterly performance in more than two decades.

The technology sector led stocks higher early in the summer despite regional surges in virus cases and a sobering report from the Commerce Department that U.S. gross domestic product plunged 9.5% in the second quarter. In a move that will likely keep borrowing costs low for some time, the Federal Reserve significantly altered its interest rate policy by discontinuing the practice of preemptively raising rates in anticipation of higher inflation. By the fall, technology stocks had withered pulling the broader market down while Washington squabbled over the terms of additional virus relief, U.S.-China tensions escalated, and virus cases surged across several European economies. However, robust home sales numbers from the Commerce Department and improving employment reports from the Labor Department late in the third quarter helped stocks recover.

Escalating virus infections fueled stiff headwinds for the economy through the end of the year. Unemployment claims continued to fall but at a slowing rate. Weekly unemployment claims stood at 787,000 at year-end, still a historically high number, but representing a remarkable turnaround from a

peak of nearly seven million claims in late March. Stocks trended upward in response to indications of a rebounding U.S. economy. The Commerce Department reported third quarter consumer spending increased at a 40.7% annual rate and data from the Institute for Supply Management suggested U.S. manufacturing was recovering. Successful COVID-19 vaccine trials and the start of vaccinations in December introduced new optimism to the markets. A second government relief package provided additional funds to U.S. households, expanded unemployment benefits, allocated financial assistance to small businesses and earmarked more funding for vaccinations. Gradually improving economic conditions coupled with the anticipation of an accelerating recovery in the new year lifted a broad cross-section of industries, led by cyclical stocks, and drove the market to record highs to close the year.

Portfolio Strategy

CGM Mutual Fund was roughly 25.0% invested in short-term U.S. Treasury securities throughout year. The balance of the portfolio was invested in the stocks of economically-sensitive companies in anticipation of growth during 2020. The Fund had mixed results.

CGM Mutual Fund did not participate in the major gains realized in technology stocks in 2020 on account of our concerns about excessive valuations. The Fund did see gains in retail companies and automobile dealers along with losses in recreational vehicle manufacturers.

We ended the year with the Fund 75.0% invested in companies we believe are poised to benefit from the global growth we anticipate will be fueled by a combination of massive monetary and fiscal stimulus and gaining control of the COVID-19 virus.

On December 31, 2020, CGM Mutual Fund was 26.0% invested in short term U.S. Treasury securities. The equity portion of the portfolio was 16.9% invested in retail, 14.4% invested in auto and related companies and 11.2% invested in steel. The Fund's three largest equity holdings were Group 1 Automotive, Inc. (auto and related), Gerdau S.A. ADR (steel) and Asbury Automotive Group, Inc. (auto and related).



David C. Fietze
President

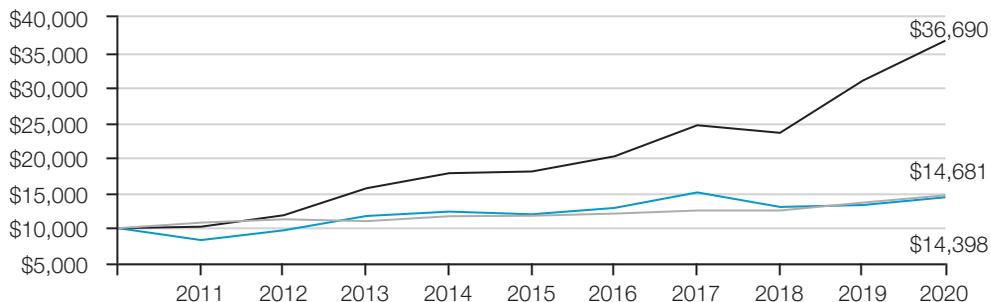


G. Kenneth Heebner
Portfolio Manager

January 2, 2021

*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.

Comparisons of the change in value of a \$10,000 investment in CGM Mutual Fund, the S&P 500 Index, and the ICE BofAML U.S. Corporate, Government & Mortgage Index (assuming reinvestment of dividends and capital gains)



Average Annual Total Returns through December 31, 2020

	1 Year	5 Year	10 Year
■ CGM Mutual Fund	8.3%	3.7%	3.7%
■ S&P 500 Index	18.4%	15.2%	13.9%
■ ICE BofAML U.S. Corporate, Government & Mortgage Index	7.6%	4.5%	3.9%

Past performance is no indication of future results and current performance may be higher or lower than the figures shown. Unlike a fund, an index is not managed and does not reflect fees and expenses.

CGM MUTUAL FUND

Portfolio Manager

G. Kenneth Heebner has managed CGM Mutual Fund since 1981. In 1990, Mr. Heebner founded Capital Growth Management Limited Partnership ("CGM") with Robert L. Kemp. Prior to establishing CGM, Mr. Heebner was at Loomis, Sayles & Company where he managed the Fund, then known as Loomis Sayles Mutual Fund. In addition to CGM Mutual Fund, he currently manages CGM Realty Fund and CGM Focus Fund.

INVESTMENT PERFORMANCE

(unaudited)

Cumulative Total Returns for Periods Ended December 31, 2020

	CGM Mutual Fund (%)
10 Years.....	+ 44.0
5 Years.....	+ 20.2
1 Year.....	+ 8.3
3 Months.....	+ 11.5

The performance data contained in the report represent past performance, which is no guarantee of future results. The graph and table above do 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.

CGM MUTUAL FUND

PORTFOLIO DIVERSIFICATION as of December 31, 2020

COMMON STOCKS

Industry	Percent of Net Assets
Retail	16.9 %
Auto and Related	14.4
Steel	11.2
Textile and Apparel	7.6
Home Products	5.0
Miscellaneous	3.3
Vehicle Assembly	2.9
Aluminum	2.7
Broker/Dealers	2.4
Packaging	2.2
Leisure	2.2
Commercial Banks	1.5

BONDS

United States Treasury Notes	26.0
------------------------------	------

SCHEDULE OF INVESTMENTS as of December 31, 2020

COMMON STOCKS — 72.3% OF TOTAL NET ASSETS

	Shares	Value(a)
Aluminum — 2.7%		
Alcoa Inc. (b).....	330,000	\$ 7,606,500
Auto and Related — 14.4%		
Asbury Automotive Group, Inc. (b).....	90,000	13,116,600
AutoNation, Inc. (b).....	120,000	8,374,800
Group 1 Automotive, Inc.....	120,000	15,736,800
Sonic Automotive, Inc.....	90,000	3,471,300
		<u>40,699,500</u>
Broker/Dealers — 2.4%		
Morgan Stanley.....	100,000	6,853,000
Commercial Banks — 1.5%		
Bank of America Corporation.....	60,000	1,818,600
JPMorgan Chase & Co.....	20,000	2,541,400
		<u>4,360,000</u>
Home Products — 5.0%		
Thor Industries, Inc.....	75,000	6,974,250
Winnebago Industries, Inc.....	120,000	7,192,800
		<u>14,167,050</u>

See accompanying notes to financial statements.

CGM MUTUAL FUND

SCHEDULE OF INVESTMENTS as of December 31, 2020 (continued)

COMMON STOCKS (continued)

	Shares	Value(a)
Leisure — 2.2%		
Brunswick Corporation.....	80,000	\$ 6,099,200
Miscellaneous — 3.3%		
United Rentals, Inc. (b).....	40,000	9,276,400
Packaging — 2.2%		
WestRock Company.....	145,000	6,311,850
Retail — 16.9%		
Academy Sports and Outdoors, Inc. (b).....	600,000	12,438,000
Alibaba Group Holding Limited ADR (b)(c).....	20,000	4,654,600
Dick's Sporting Goods, Inc.....	120,000	6,745,200
Hibbett Sports, Inc. (b).....	260,000	12,006,800
The Michaels Companies, Inc.(b).....	930,000	12,099,300
		47,943,900
Steel — 11.2%		
ArcelorMittal (b)(c).....	450,000	10,305,000
Companhia Siderurgica Nacional ADR (c).....	1,150,000	6,842,500
Gerdau S.A. ADR (c).....	3,150,000	14,710,500
		31,858,000
Textile and Apparel — 7.6%		
Deckers Outdoor Corporation (b).....	40,000	11,471,200
Tapestry, Inc.....	325,000	10,101,000
		21,572,200
Vehicle Assembly — 2.9%		
Fiat Chrysler Automobiles N.V. (b)(c).....	450,000	8,140,500
TOTAL COMMON STOCKS (Identified cost \$181,397,675).....		204,888,100
BONDS — 26.0% OF TOTAL NET ASSETS		
	Face Amount	
United States Treasury — 26.0%		
United States Treasury Notes, 0.125%, 07/31/2022.....	\$ 9,000,000	9,001,406
United States Treasury Notes, 0.125%, 11/30/2022.....	32,000,000	32,003,750
United States Treasury Notes, 0.375%, 03/31/2022.....	14,000,000	14,044,297
United States Treasury Notes, 1.375%, 01/31/2022.....	2,000,000	2,026,875
United States Treasury Notes, 1.500%, 11/30/2021.....	2,500,000	2,531,250
United States Treasury Notes, 2.125%, 05/31/2021.....	5,000,000	5,040,625
United States Treasury Notes, 2.500%, 02/28/2021.....	9,000,000	9,032,109
TOTAL BONDS (Identified cost \$73,540,015).....		73,680,312

See accompanying notes to financial statements.

CGM MUTUAL FUND

SCHEDULE OF INVESTMENTS as of December 31, 2020 (continued)

	Value(a)
TOTAL INVESTMENTS — 98.3% (Identified cost \$254,937,690).....	\$ 278,568,412
Cash and receivables.....	9,593,462
Liabilities.....	(4,908,369)
TOTAL NET ASSETS — 100.0%	<u>\$ 283,253,505</u>

(a) See Note 2A.

(b) Non-income producing security.

(c) At December 31, 2020, the Fund had approximately 7.6% of net assets invested in companies incorporated in Brazil and is invested in other foreign countries that each account for less than 5.0% of net assets (in aggregate 8.2%).

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 U.S. or Canada.

See accompanying notes to financial statements.

CGM MUTUAL FUND

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2020

Assets

Investments in securities, at value:		
(Identified cost \$254,937,690).....		\$ 278,568,412
Cash.....		1,939,706
Receivable for:		
Securities sold.....	\$ 7,220,912	
Shares of the Fund sold.....	20,844	
Dividends and interest.....	388,256	
Reimbursement from investment adviser....	23,744	7,653,756
Total assets		<u>288,161,874</u>

Liabilities

Payable for:		
Securities purchased...	4,438,787	
Shares of the Fund redeemed.....	79,768	
Tax withholding.....	15,541	4,534,096
Accrued expenses:		
Management fees.....	213,694	
Trustees' fees.....	19,211	
Accounting, administration and compliance expenses.....	22,225	
Transfer agent fees.....	41,585	
Other expenses.....	77,558	374,273
Total liabilities		<u>4,908,369</u>

Net Assets..... \$ 283,253,505

Net assets consist of:

Capital paid-in.....	\$ 274,825,078
Accumulated gain.....	8,428,427

Net Assets..... \$ 283,253,505

Shares of beneficial interest outstanding,
no par value..... 9,763,279

Net asset value per share*..... \$29.01

* Shares of the Fund are sold and redeemed at net asset value (\$283,253,505 ÷ 9,763,279).

STATEMENT OF OPERATIONS

Twelve Months Ended December 31, 2020

Investment Income

Income:	
Dividends (net of withholding tax of \$14,106).....	\$ 2,046,766
Interest.....	1,230,284
	<u>3,277,050</u>

Expenses:	
Management fees.....	2,301,025
Trustees' fees.....	76,805
Accounting, administration and compliance expenses.....	266,170
Custodian fees and expenses.....	62,099
Transfer agent fees.....	300,166
Audit and tax services.....	55,080
Legal.....	70,790
Printing.....	38,660
Registration fees.....	28,310
Miscellaneous expenses.....	11,488
	<u>3,210,593</u>
Less expense waiver.....	(172,117)
Net expenses	<u>3,038,476</u>
Net investment income	<u>238,574</u>

Realized and Unrealized Gain (Loss) on Investments

Net realized gains on investments.....	11,569,818
Net change in unrealized appreciation on investments.....	8,216,142
Net realized and unrealized gains on investments	<u>19,785,960</u>

Change in Net Assets from Operations \$ 20,024,534

See accompanying notes to financial statements.

CGM MUTUAL FUND

STATEMENT OF CHANGES IN NET ASSETS

	2020	2019
From Operations		
Net investment income.....	\$ 238,574	\$ 3,133,277
Net realized gains (losses) on investments.....	11,569,818	(15,900,024)
Net change in unrealized appreciation on investments.....	8,216,142	20,008,893
Change in net assets from operations.....	20,024,534	7,242,146
From Distributions to Shareholders		
Total distributions.....	(210,325)	(3,119,515)
From Capital Share Transactions		
Proceeds from sale of shares.....	988,465	1,581,291
Net asset value of shares issued in connection with reinvestment of distributions.....	191,690	2,851,765
Cost of shares redeemed.....	1,180,155	4,433,056
Change in net assets derived from capital share transactions.....	(33,461,175)	(37,872,141)
Total change in net assets.....	(32,281,020)	(33,439,085)
Net Assets		
Beginning of period.....	295,720,316	325,036,770
End of period.....	\$ 283,253,505	\$ 295,720,316
Number of Shares of the Fund:		
Issued from sale of shares.....	40,715	57,124
Issued in connection with reinvestment of distributions.....	9,076	104,192
Redeemed.....	49,791	161,316
Net change.....	(1,316,749)	(1,377,337)
	(1,266,958)	(1,216,021)

See accompanying notes to financial statements.

CGM MUTUAL FUND

FINANCIAL HIGHLIGHTS

	For the Year Ended December 31,				
	2020	2019	2018	2017	2016
For a share of the Fund outstanding throughout each period:					
Net asset value at beginning of period	\$ 26.81	\$ 26.54	\$ 31.02	\$ 30.76	\$ 29.38
Net investment income (loss) (a)	0.02	0.27 (b)	0.25 (c)	0.13	(0.04)
Net realized and unrealized gains (losses) on investments and foreign currency transactions	2.20	0.27	(4.48)	5.13	2.27
Total from investment operations	2.22	0.54	(4.23)	5.26	2.23
Dividends from net investment income	(0.02)	(0.27)	(0.25)	(0.13)	—
Distributions from net short-term realized gains	—	—	—	(4.33)	—
Distributions from net long-term realized gains	—	—	—	(0.54)	(0.85)
Total distributions	(0.02)	(0.27)	(0.25)	(5.00)	(0.85)
Net increase (decrease) in net asset value	2.20	0.27	(4.48)	0.26	1.38
Net asset value at end of period	<u>\$ 29.01</u>	<u>\$ 26.81</u>	<u>\$ 26.54</u>	<u>\$ 31.02</u>	<u>\$ 30.76</u>
Total return (%)	8.3	2.1	(13.7)	17.1	7.6
Ratios:					
Net operating expenses after waiver (%)*	1.19 (d)	1.22	1.15	1.15	1.17
Total operating expenses before waiver (%)*	1.26 (d)	1.22	1.15	1.15	1.17
Net investment income (loss) (%)*	0.09	0.97 (b)	0.82 (c)	0.38	(0.15)
Portfolio turnover (%)	686 (e)	442	362	423	436
Net assets at end of period (in thousands) (\$)	283,254	295,720	325,037	415,584	387,721

(a) Per share net investment income (loss) has been calculated using the average shares outstanding during the period.

(b) Net Investment income per share reflects non-recurring dividends which amounted to \$0.05 per share. Excluding these non-recurring dividends, the ratio of net investment income to average net assets would have been 0.77%.

(c) Net Investment income per share reflects non-recurring dividends which amounted to \$0.08 per share. Excluding these non-recurring dividends, the ratio of net investment income to average net assets would have been 0.56%.

(d) Effective date of the expense waiver was May 1, 2020.

(e) The increase in the turnover ratio from prior year is due to the decrease in the average market value and an increase in trading activity.

* Calculated based on average net assets.

See accompanying notes to financial statements.

CGM MUTUAL FUND

NOTES TO FINANCIAL STATEMENTS — December 31, 2020

1. Organization — CGM Mutual Fund (the "Fund") is a diversified series of CGM Trust (the "Trust") which is organized as a Massachusetts business trust under the laws of Massachusetts pursuant to an Agreement and Declaration of Trust. The Trust is registered under the Investment Company Act of 1940 as an open-end management investment company and is following accounting and reporting guidance in the Financial Accounting Standards Board's ("FASB") Topic 946 "*Financial Services—Investment Companies*". The Trust has two other funds whose financial statements are not presented herein. The Fund commenced operations on November 5, 1929. The Fund's objective is reasonable long-term capital appreciation with a prudent approach to protection of capital from undue risks. Current income is a consideration in the selection of the Fund's portfolio securities, but it is not a controlling factor.

2. Significant accounting policies — Management has evaluated the events and transactions from December 31, 2020 through the date of issuance of the Fund's financial statements. For the Fund, there were no material subsequent events that required disclosure in the financial statements or footnotes.

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

CGM MUTUAL FUND

NOTES TO FINANCIAL STATEMENTS (continued)

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 December 31, 2020:

Classification	Valuation Inputs		
	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs
Investments in Securities-Assets			
Common Stocks*	\$ 204,888,100	—	—
Bonds			
United States Treasury Notes	—	\$ 73,680,312	—
Total	<u>\$ 204,888,100</u>	<u>\$ 73,680,312</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. Security transactions and related investment income** — Security transactions are accounted for on the trade date plus one basis for daily NAV calculations. However, for financial reporting purposes, investment transactions are reported on the trade date (date the order to buy or sell is executed). Dividend income is recorded on the ex-dividend date net of applicable foreign taxes and fees, a portion of which may be recoverable. The Fund will accrue such taxes and recoveries as applicable based upon its current interpretations of the tax rules and regulations that exist in the markets in which it invests. Interest income is recorded on an accrual basis and includes amortization of premium and discount. Net gain or loss on securities sold is determined on the identified cost basis and may include proceeds from litigation. Dividend payments received by the Fund from its investment in real estate investment trusts ("REITs") may consist of ordinary income, capital gains, and return of capital and as such are recorded as dividend income, capital gains or a reduction to security cost, as appropriate. Distributions from publicly traded partnerships are generally recorded based on the characterization reported on the Fund's schedule K-1 received from the partnership. Non-cash dividend payments, if any, are recorded at the fair market value of the securities received.

CGM MUTUAL FUND

NOTES TO FINANCIAL STATEMENTS (continued)

- C. Federal income taxes** — It is the Fund's policy to comply with the requirements of the Internal Revenue Code ("IRC") applicable to regulated investment companies, and to distribute to its shareholders all of its taxable income and net realized capital gains, within the prescribed time period.

Capital accounts within the financial statements are adjusted for permanent book/tax differences. These adjustments have no impact on the Fund's net assets or results of operations. Temporary book/tax differences, if any, will reverse in a subsequent period. Any difference between book basis and tax basis unrealized appreciation is attributable primarily to the temporary book/tax difference of tax deferral of losses on wash sales.

As of December 31, 2020, the components of distributable earnings on a tax basis were as follows:

Undistributed Ordinary Income	Undistributed Long-term Capital Gains	Net Unrealized Appreciation/ (Depreciation)
\$21,811	—	\$21,916,751

The identified cost of investments in securities owned by the Fund for federal income tax purposes, and their respective gross unrealized appreciation and depreciation at December 31, 2020 was as follows:

Identified Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation
\$256,651,661	\$25,038,060	\$(3,121,309)	\$21,916,751

The Fund is permitted to carry forward capital losses for an unlimited period, and such losses, when carried forward, retain their character as either short-term or long-term capital losses. As of December 31, 2020, the capital loss carryforwards utilized and the accumulated net realized loss on sales of investments for federal income tax purposes which are available to offset future taxable gains, prior to distributing such gains to shareholders, are shown in the table below:

Short-term Capital Loss Carryforward Utilized	Long-term Capital Loss Carryforward Utilized	Total	Remaining Short-term Capital Loss Carryforward	Remaining Long-term Capital Loss Carryforward	Total
\$10,614,465	\$1,816,681	\$12,431,146	\$13,510,135	—	\$13,510,135

Management has concluded that there are no significant uncertain tax positions for the open tax years as of December 31, 2020 that would require recognition in the financial statements. However, management's conclusion may be subject to review and adjustment at a later date based on factors including, but not limited to, new tax laws, regulations, and administrative interpretations (including relevant court decisions). Generally, the Fund's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

- D. Dividends and distributions to shareholders** — Dividends and distributions are recorded by the Fund on the ex-dividend date. The classification of income and capital gains distributions is determined in accordance with income tax regulations. Distributions from net investment income and short-term capital gains are treated as ordinary income for income tax purposes. Permanent book/tax differences relating to shareholder distributions may result in reclassifications to paid-in capital or accumulated realized gain/(loss). The Fund also may utilize earnings and profits distributed to shareholders on redemption of shares as a part of the dividend deduction for income tax purposes. Undistributed net investment income or accumulated net investment loss may include temporary book/tax differences such as tax deferral of losses on wash sales, which will reverse in a subsequent period. Any taxable income or gain remaining at fiscal year end is distributed in the following year.

CGM MUTUAL FUND

NOTES TO FINANCIAL STATEMENTS (continued)

The tax characterization of distributions is determined on an annual basis. The tax character of distributions paid during the periods ended December 31, 2020 and 2019 were as follows:

Year	Ordinary Income	Long-term Capital Gains	Total
2020	\$ 210,325	—	\$ 210,325
2019	\$ 3,119,515	—	\$ 3,119,515

- E. Guarantees and indemnifications** — Under the Trust's organizational documents, its officers and trustees are indemnified against certain liabilities arising out of the performance of their duties for the Fund. Additionally, in the normal course of business, the Fund may enter into contracts with service providers that contain general indemnification clauses. The Fund's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Fund that have not yet occurred. The risk of material loss from such claims is considered remote.
- F. Foreign currency translation** — All assets and liabilities initially expressed in terms of foreign currencies are translated into U.S. dollars each day at the prevailing exchange rate. Transactions affecting Statement of Operations accounts and net realized gain or loss on investments are translated at the rates prevailing at the dates of the transactions. The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments. Reported net realized foreign exchange gains or losses arise from sales of foreign currency, currency gains or losses realized between the trade and settlement dates on securities transactions and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded on the Fund's books and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains or losses arise from changes in the value of assets and liabilities other than investments in securities at the end of the period, resulting from changes in the exchange rate.
- G. Repurchase agreements** — 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 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 December 31, 2020, the Fund was not a party to any repurchase transactions.
- H. Use of estimates** — The preparation of financial statements in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS (continued)

3. Risks and uncertainties

- A. Risks associated with focused investing** — The Fund, although diversified, takes a focused approach to investing within particular industries or sectors of the economy and may invest in a relatively small number of individual holdings. Therefore, the Fund may be subject to greater price volatility and may be more adversely affected by the performance of particular industries, sectors, or individual holdings than would a more diversified fund. In addition, funds that invest more heavily in certain industries, sectors or individual holdings are particularly susceptible to the impact of market, economic, regulatory and other factors affecting those investments.
- B. Risks associated with foreign investments** — The Fund may invest in securities issued by institutions, corporations, and governments established by or located in foreign countries, which may be developed or undeveloped countries. Investing in foreign securities may involve significant risks. For example, there is often less publicly available information about foreign companies, particularly those not subject to the disclosure and reporting requirements of the U.S. securities laws. Foreign issuers are often not bound by uniform accounting, auditing, and financial reporting requirements and standards of practice comparable to those applicable to domestic issuers. Investments in foreign securities also involve the risk of possible adverse changes in investment or exchange control regulations, expropriation or confiscatory taxation, political or financial instability or diplomatic and other developments which could affect such investments. Foreign stock markets, while growing in volume and sophistication, are often not as developed as those in the U.S., and securities of some foreign issuers (particularly those located in developing countries) may be less liquid and more volatile than securities of comparable U.S. companies. There may also be less overall governmental supervision and regulation of foreign securities markets, broker-dealers and issuers than in the U.S. Additionally, because some foreign securities the Fund may acquire are purchased with and payable in foreign currencies, the value of these assets as measured in U.S. dollars may be affected favorably or unfavorably by changes in currency rates and exchange control regulations. There is no limit on the amount that the Fund may invest in issuers located in a single country or in foreign countries in the aggregate. To the extent the Fund focuses its investments in a single country or only a few countries in a particular geographic region, economic, political, regulatory or other conditions affecting such country or region may have a greater impact on Fund performance relative to a more geographically diversified fund.
- C. Recent events** — Financial markets have experienced and may continue to experience significant volatility resulting from the spread of the virus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand, and general market uncertainty. The effects of COVID-19 have adversely affected, and may continue to adversely affect, the global economy, the economies of certain nations, and individual issuers, all of which may negatively impact the fund's performance.
- 4. Purchases and sales of securities** — For the year ended December 31, 2020, purchases and sales of securities other than U.S. Government or Agency obligations and short-term investments aggregated \$1,682,572,571 and \$1,713,408,331, respectively. For long-term government obligations, there were \$57,047,930 of purchases and \$33,774,883 of sales.

5. Fees and expenses

- A. Management fees** — During the year ended December 31, 2020, the Fund incurred management fees of \$2,301,025, paid or payable monthly to CGM, certain officers and employees of which are also officers and trustees of the Fund. The management agreement provides for a fee at the annual rate of 0.90% on the first \$500 million of the Fund's average daily net assets, 0.80% of the next \$500 million of the Fund's average daily net assets and 0.75% of such assets in excess of \$1 billion of the Fund's average daily net assets.

The investment adviser has agreed to waive its fees and/or reimburse expenses of the Fund to the extent necessary to reduce the Fund's total annual operating expenses by 0.10%. This arrangement, effective May 1,

CGM MUTUAL FUND

NOTES TO FINANCIAL STATEMENTS (continued)

2020, is expected to remain in effect through April 30, 2021 and may not be terminated prior to that date without the consent of the Fund's Board of Trustees. As a result of the agreed waiver, year-to-date, CGM waived \$172,117 of its management fee.

- B. Other expenses** — The majority of expenses are directly attributable to the Fund. Expenses that are not readily attributable to the Fund are allocated among each of the three funds comprising the Trust in an equitable manner, taking into consideration, among other things, the nature and type of expense and the funds' respective net assets. CGM performs certain administrative, accounting, compliance and other services for the Fund. The expenses of those services, which are paid to CGM by the Fund, include the following: (i) expenses for personnel performing bookkeeping, accounting and financial reporting and clerical functions relating to the Fund; (ii) expenses for services required in connection with the preparation of registration statements and prospectuses, shareholder reports and notices, proxy solicitation material furnished to shareholders of the Fund or regulatory authorities and reports and questionnaires for Securities and Exchange Commission ("SEC") compliance; (iii) registration, filing and other fees in connection with requirements of regulatory authorities and (iv) compliance in connection to the Investment Company Act of 1940 and the Sarbanes-Oxley Act of 2002. The accounting, administration and compliance expenses of \$266,170, for the year ended December 31, 2020, are shown separately in the Statement of Operations. These expenses include the reimbursement of a portion of the compensation expenses incurred by CGM for its employees who provide these administrative, accounting, compliance, and other services to the Fund, including \$226,672 of the salaries of CGM employees who are officers of the Fund.
- C. Trustees fees and expenses** — The Fund does not pay any compensation directly to any trustees who are "interested persons" (as defined in the Investment Company Act of 1940) of CGM or any affiliate of CGM (other than registered investment companies). For the year ended December 31, 2020, each disinterested trustee was compensated by the Trust with an annual fee of \$90,000 plus travel expenses for each meeting attended. The disinterested trustees are responsible for the audit committee functions of the Trust's Board and have designated a disinterested trustee to lead the Board's efforts in overseeing those functions, who receives an additional \$30,000 annually. Of these amounts, the Fund is responsible for \$10,000 per trustee annually, plus an annual variable fee calculated based on the proportion of the Fund's average net assets relative to the aggregate average net assets of the Trust.

CGM MUTUAL FUND

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees of CGM Trust and Shareholders of CGM Mutual Fund

Opinion on the Financial Statements

We have audited the accompanying statement of assets and liabilities, including the schedule of investments, of CGM Mutual Fund (the "Fund") as of December 31, 2020, the related statement of operations for the year ended December 31, 2020, the statement of changes in net assets for each of the two years in the period ended December 31, 2020, including the related notes, and the financial highlights for each of the five years in the period ended December 31, 2020 (collectively, referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2020, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period ended December 31, 2020 and the financial highlights for each of the five years in the period ended December 31, 2020 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on the Fund's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Fund in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2020 by correspondence with the custodian and brokers; when replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

Boston, Massachusetts
February 15, 2021

We have served as the auditor of one or more investment companies in Capital Growth Management Investment Company Complex since at least 1994. We have not determined a specific year we began serving as auditor.

ADDITIONAL INFORMATION

(unaudited)

Availability of proxy voting information:

Proxy voting policies and information regarding how the Fund voted proxies relating to portfolio securities during the twelve month period ended June 30, 2020 are available without charge, by calling 800-345-4048. The policies also appear in the Fund's Statement of Additional Information, which can be found on the CGM Funds' 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 N-PX filing.

Portfolio holdings:

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. Portfolio holdings are also disclosed in the Fund's quarterly reports. The Fund's four most recent quarterly reports can be obtained on the CGM Funds' website, www.cgmfunds.com.

The Fund's Prospectus and Statement of Additional Information contain additional information on other risks and uncertainties relating to the Fund's investments. The Fund's Prospectus and Statement of Additional Information can be obtained on the CGM Funds' website, www.cgmfunds.com, and the SEC's website, www.sec.gov or by calling 800-345-4048.

Liquidity Risk Management Program:

On October 13, 2016, the Securities and Exchange Commission ("SEC") adopted Rule 22e-4 ("Liquidity Rule") under the Investment Company Act of 1940 ("1940 Act") which requires registered open-end funds to establish and implement a written Liquidity Risk Management Program reasonably designed to assess and manage its liquidity risk. The Fund must also periodically review its liquidity risk. In addition, a written report is provided to the Fund's Board of Trustees annually which details the operation of the Fund's program.

Pursuant to its program, the Fund classifies the liquidity of its portfolio investments into one of the four categories defined by the SEC: "Highly Liquid", "Moderately Liquid", "Less Liquid" and "Illiquid". These classifications are reported to the SEC on Form N-PORT. The Liquidity Rule requires open-end funds that are not invested primarily in "Highly Liquid" investments to establish a "Highly Liquid Investment Minimum" ("HLIM"), which is the minimum percentage of net assets that must be invested in Highly Liquid investments (i.e., cash or investments that are reasonably expected to be convertible into cash within three business days without significantly changing the market value of the investment). It was determined through periodic reviews that the Fund's portfolio holdings have been primarily Highly Liquid and, therefore, the Fund does not need to establish a HLIM.

The Fund may not acquire an investment if, immediately after the acquisition, over 15% of the Fund's net asset would consist of Illiquid investments (an investment that cannot reasonably be expected to be sold or disposed of in current market conditions in seven calendar days or less without the sale or disposition significantly changing the market value of the investment). The Fund is required to report to the SEC and the Fund's Board of Trustees if the Fund holds illiquid investments in excess of the 15% limit. No such reporting was required during the past year. For the year, there were no material changes to the Fund's program and periodic stress testing confirmed that the Fund held sufficient liquid investments to cover all reasonably foreseeable levels of cash flow.

CGM MUTUAL FUND

TAX INFORMATION FOR THE TAX YEAR ENDED December 31, 2020

(unaudited)

We are providing this information as required by the IRC.

For taxable non-corporate shareholders, 100% of the 2020 ordinary dividend is considered qualified dividend income that may be eligible for reduced capital gains rates.

For corporate shareholders, 100% of the 2020 ordinary dividend qualifies for the dividends-received deduction.

CGM MUTUAL FUND

FUND EXPENSES

(unaudited)

As a shareholder of CGM Mutual Fund, you incur two types of costs: (1) transaction costs, which could include, among other charges, wire fees and custodial maintenance fees for certain types of accounts and (2) ongoing costs, including management fees and other Fund expenses. This example is intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The example is based on an investment of \$1,000 invested at the beginning of the period and held for the entire period July 1, 2020 to December 31, 2020.

Actual return and expenses

The first line of the table below provides information about actual account values and actual expenses.

You may use the information in this line, together with the amount you invested, to estimate the expenses that you paid over the period. Simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number in the first line under the heading entitled "Expenses Paid During Period" to estimate the expenses you paid on your account during this period.

Hypothetical example for comparison purposes

The second line of the table below provides information about hypothetical account values and hypothetical expenses based on the Fund's actual expense ratio and an assumed rate of return of 5% per year before expenses, which is not the Fund's actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period.

You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any transactional costs such as any wire fees or custodial maintenance fees that may be payable. Therefore, the second line of the table is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these transactional costs were included, your costs would have been higher.

	<i>Beginning Account Value 07/01/20</i>	<i>Ending Account Value 12/31/20</i>	<i>Expenses Paid During Period* 07/01/20 - 12/31/20</i>
Actual	\$1,000.00	\$1,242.93	\$6.41
Hypothetical (5% return before expenses)	\$1,000.00	\$1,019.42	\$5.77

* Expenses are equal to the Fund's annualized expense ratio of 1.14%, multiplied by the average account value over the period, multiplied by 184/366 (to reflect the one-half year period).

CGM MUTUAL FUND

TRUSTEES AND OFFICERS

The Fund is supervised by the Board of Trustees (the “Board”) of the Trust. The Board is responsible for the general oversight of the Fund, including general supervision and review of the Fund’s investment activities. The Board, in turn, elects the officers who are responsible for administering the Fund’s day-to-day operations.

An asterisk in the following table identifies those trustees and officers who are “interested persons” of the Trust as defined in the Investment Company Act of 1940. Each trustee and officer of the Trust noted as an interested person is interested by virtue of that individual’s position with CGM, as described in the table below. Each trustee serves during the continued lifetime of the Trust, until he or she earlier dies, resigns or is removed, or if sooner, until the election and qualification of his or her successor. Each officer serves until his or her successor is elected or qualified, or until the officer sooner dies, resigns, or is removed or becomes disqualified.

The trustees and officers of the Trust, their ages, their principal occupations during the past five years, the number of CGM Funds they oversee, and other directorships they hold are set forth below. Unless otherwise noted below, the address of each interested trustee and officer is One International Place, Boston, Massachusetts 02110. Correspondence intended for the trustees who are not “interested persons” of the Trust may be sent c/o Capital Growth Management, One International Place, Boston, Massachusetts 02110. The Statement of Additional Information for the Fund includes additional information about Fund trustees and is available on the CGM Funds' website, www.cgmfund.com, or by calling 800-345-4048.

Name (Birth Year)	Positions Held and Length of Time Served	Principal Occupations and Other Directorships Held During Past 5 Years	Number of Funds in the CGM Funds Complex Overseen
Interested Trustees			
Ken Heebner* (1940)	Trustee since 1993	Co-founder and Employee, CGM; Controlling owner of Kenbob, Inc. (general partner of CGM)	3
Leslie A. Lake* (1945)	Trustee since 2013	Consultant to CGM (since 2013)	3
Disinterested Trustees			
Peter O. Brown (1940)	Trustee since 1993	Counsel (formerly, Partner), Harter, Secrest & Emery LLP (law firm); formerly Executive Vice President and Chief Operating Officer, The Glenmede Trust Company (1990-1993); formerly Senior Vice President, J.P. Morgan Chase Bank (1981-1990); formerly Trustee, TT International U.S.A. Master and Feeder Trusts (four mutual funds) (2000-2005)	3
Mark W. Holland (1949)	Trustee since 2004	President, Wellesley Financial Advisors, LLC (since 2003); formerly Vice President and Chief Operating Officer, Fixed Income Management, Loomis, Sayles & Company, L.P. (1999-2002); formerly Director, Loomis, Sayles & Company, L.P. (1993-2001)	3

CGM MUTUAL FUND

Name (Birth Year)	Positions Held and Length of Time Served	Principal Occupations and Other Directorships Held During Past 5 Years	Number of Funds in the CGM Funds Complex Overseen
J. Baur Whittlesey (1946)	Trustee since 1990	Member (1994-2016) and Senior Counsel (since 2017), Ledgewood, P.C. (law firm)	3
Officers			
Ken Heebner* (1940)	Vice President since 1990	Co-founder and Employee, CGM; Controlling owner of Kenbob, Inc. (general partner of CGM)	3
David C. Fietze* (1969)	President since 2015 & Chief Compliance Officer since 2004	Employee – Legal Counsel, CGM	3
Kathleen S. Haughton* (1960)	Sr. Vice President since 2013, Director of Human Resources since 2019, Vice President (1992-2013), AML Officer since 2002 & Principal since 1992	Employee – Investor Services Division, CGM 38 Newbury St., Boston, MA 02116	3
Leslie A. Lake* (1945)	Vice President (1992-2013) & Secretary since 1992	Consultant to CGM (since 2013)	3
Martha I. Maguire* (1955)	Vice President since 1994	Consultant to CGM (since 2013)	3
Tony Figueiredo* (1960)	Vice President since 2013 & Director of Operations (1996-2013)	Employee – Investor Services Division, CGM 38 Newbury St., Boston, MA 02116	3
Deidra Hewardt* (1972)	Treasurer since 2020 & Assistant Treasurer (2014-2020)	Employee – Treasury Operations, CGM	3

This Page Intentionally Left Blank

This Page Intentionally Left Blank