

INVESTMENT ADVISER
CAPITAL GROWTH MANAGEMENT
LIMITED PARTNERSHIP
Boston, Massachusetts 02110

**TRANSFER AND DIVIDEND PAYING
AGENT AND CUSTODIAN OF ASSETS**
STATE STREET BANK AND TRUST COMPANY
Boston, Massachusetts 02111

**SHAREHOLDER SERVICING AGENT
FOR STATE STREET BANK AND
TRUST COMPANY**
BOSTON FINANCIAL DATA SERVICES, INC.
P.O. Box 8511
Boston, Massachusetts 02266-8511

CGM

Mutual Fund

340th Quarterly Report
March 31, 2015

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.

MQR115

Printed in U.S.A.



Investment Adviser

Capital Growth Management
Limited Partnership

To Our Shareholders:

CGM Mutual Fund increased 3.6% during the first quarter of 2015 compared to a return of 1.0% for the Standard and Poor's 500 Index (S&P 500 Index) and 1.7% for the Bank of America Merrill Lynch U.S. Corporate, Government and Mortgage Bond Index.

The year began with the S&P 500 Index dropping 2.7% by January 6 on news of sluggish global growth, falling oil prices and a strengthening dollar. With overseas economies slowing down and thereby consuming less crude oil and OPEC unwilling to cut its production, there was concern that an oil surplus in the market would slow down the U.S. economy. However, positive business indicators continued to emerge as well. Falling fuel prices and low interest rates made 2014 the best year for U.S. auto sales since 2006, with a 5.9% increase in sales and 16.5 million automobiles sold. On January 21 the Commerce Department reported that December 2014 housing starts rose 4.4% from the previous month to an annual rate of 1.089 million. In late January, the S&P 500 Index increased 1.5% on the news that the European Central Bank would begin a quantitative easing bond buying program in March that would inject more than \$1.14 trillion into the Eurozone economy.

In February, the Institute for Supply Management released its manufacturing index for January, which fell 1.6 points to 53.5, suggesting continued expansion but at a slower pace. The Conference Board Consumer Confidence Index dropped from 103.8 in January to 96.4 in February, indicating consumers believe that current economic conditions remain positive but that short term expectations had weakened. February reports of prior month U.S. auto sales pointed to continued growth with a 14% overall increase and a 19.3% increase for higher priced light trucks and SUVs. The Commerce Department reported that the

pace for the sale of new homes in January remained near its six year high, indicating strong demand in the housing market, which is impressive considering the harsh winter weather in much of the country, tight credit conditions and price increases over the past year. Jobs reports were also positive, showing that the U.S. added an additional 257,000 to the workforce in January. In late February, European creditors agreed to extend their bailout provisions to Greece, preventing a possible defection of Greece from the Eurozone and pushing U.S. stocks up on the news. The S&P 500 Index increased by 5.75% for the month.

With the commencement of the European Central Bank's bond buying program, the euro dropped 1.4% against the dollar on March 10 to its lowest level in twelve years. A March Federal Reserve report showed U.S. industrial production up 3.5% and capacity utilization up 3.1% over a year earlier, indicating that the long term outlook continues to point to moderate economic growth. But continued expectations of an interest rate increase by the Federal Reserve weighed the market down in March, pushed bond yields higher and contributed to the rising value of the dollar against the euro. On March 18 the Federal Reserve dropped its long-standing assurance that it would remain "patient" before acting to increase interest rates. While this may indicate a rate increase at the Fed's June meeting, Chairman Yellen stated the Fed would move cautiously, which may suggest that any rate hike will occur later. The S&P 500 Index increased 1.2% on the announcement. The Consumer Price Index for February increased for the first time in four months, rising 0.2%. Additionally, the Commerce Department reported that sales of newly built homes increased by 8% in February to an annual rate of 539,000. Both

CGM MUTUAL FUND

pieces of news indicate that, after a rocky beginning to the year, the U.S. economy is strengthening.

The yield on ten-year U.S. Treasury securities was 2.14% at the beginning of the quarter, dropped to 1.73% on January 28 and finished the quarter at 1.92%. Bond yields remained low and were largely impacted by falling oil prices, fears of a slowdown in global growth, and questions on the Fed's interest rate position. We believe that these numbers are poised to move up with continued positive U.S. employment numbers, indications of continued moderate growth in the U.S. economy and improving conditions in Europe. With bond yields at this low range, as of March 31, 2015 the S&P 500 Index was priced at 17.23 times projected earnings for the year, which is not excessively high.

On March 31, 2015, CGM Mutual Fund was 26.3% invested in U.S. Treasury securities. The three largest industry positions in the equity portion of the portfolio were in housing and building materials, money center banks and vehicle assembly. The Fund's three largest equity holdings were the Lennar Corporation, D.R. Horton, Inc. and Toll Brothers, Inc., (all housing and building materials).

After a distinguished career in the investment industry and at the helm of CGM Funds, Bob Kemp retired on February 28, 2015. I am honored by your Fund trustees' decision to name me the new president of the funds and look forward to serving CGM shareholders for many years to come.



David C. Fietze
President

April 2, 2015

INVESTMENT PERFORMANCE

(unaudited)

Total Returns for Periods Ended March 31, 2015

	The Fund's Cumulative Total Return (%)	The Fund's Average Annual Total Return (%)
10 Years	+ 95.9	+ 7.0
5 Years	+ 44.3	+ 7.6
1 Year	+ 12.4	+ 12.4
3 Months	+ 3.6	—

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.

CGM MUTUAL FUND

SCHEDULE OF INVESTMENTS as of March 31, 2015

(unaudited)

COMMON STOCKS — 73.3% OF TOTAL NET ASSETS

	<u>Shares</u>	<u>Value (a)</u>
Auto and Related - 1.6%		
CarMax, Inc. (b)	105,000	\$ 7,246,050
Banks - Money Center - 16.1%		
Bank of America Corporation	1,410,000	21,699,900
Citigroup Inc.	500,000	25,760,000
Morgan Stanley	710,000	25,339,900
		<u>72,799,800</u>
Basic Materials - 1.4%		
Martin Marietta Materials, Inc.	45,000	6,291,000
Financial Services - Miscellaneous - 2.9%		
Lazard Ltd MLP	130,000	6,836,700
Santander Consumer USA Holdings Inc.	270,000	6,247,800
		<u>13,084,500</u>
Home Products - 2.7%		
Whirlpool Corporation	60,000	12,123,600
Housing and Building Materials - 22.4%		
D.R. Horton, Inc.	1,260,000	35,884,800
Lennar Corporation	700,000	36,267,000
Toll Brothers, Inc. (b)	750,000	29,505,000
		<u>101,656,800</u>
Leisure - 6.9%		
Norwegian Cruise Line Holdings Ltd. (b)	180,000	9,721,800
Polaris Industries Inc.	154,000	21,729,400
		<u>31,451,200</u>
Retail - 5.7%		
Lowe's Companies, Inc.	75,000	5,579,250
Signet Jewelers Limited	50,000	6,939,500
The Home Depot, Inc.	115,000	13,065,150
		<u>25,583,900</u>
Textile and Apparel - 3.2%		
Hanesbrands Inc.	150,000	5,026,500
PVH Corp.	90,000	9,590,400
		<u>14,616,900</u>

CGM MUTUAL FUND

SCHEDULE OF INVESTMENTS as of March 31, 2015 (continued)

(unaudited)

COMMON STOCKS (continued)

	Shares	Value (a)
Vehicle Assembly - 10.4%		
Fiat Chrysler Automobiles N.V. (b)	1,060,000	\$ 17,288,600
Ford Motor Company	630,000	10,168,200
General Motors Company	525,000	19,687,500
		47,144,300
TOTAL COMMON STOCKS (Identified cost \$290,469,646)		331,998,050

BONDS — 26.3% OF TOTAL NET ASSETS

	Face Amount		
United States Treasury — 26.3%			
United States Treasury Notes, 0.250%, 11/30/2015	\$ 15,000,000		15,003,510
United States Treasury Notes, 0.375%, 08/31/2015	11,000,000		11,012,034
United States Treasury Notes, 0.375%, 05/31/2016	14,500,000		14,504,524
United States Treasury Notes, 0.375%, 10/31/2016	54,000,000		53,932,500
United States Treasury Notes, 0.500%, 01/31/2017	25,000,000		25,001,950
TOTAL BONDS (Identified cost \$119,334,327)			119,454,518

SHORT-TERM INVESTMENT — 0.2% OF TOTAL NET ASSETS

Tri-party Repurchase Agreement with Fixed Income Clearing Corporation, dated 03/31/2015 at 0.00% to be repurchased at \$860,000 on 04/01/2015 collateralized by \$870,000 US Treasury Note, 1.75% due 02/28/2022 valued at \$879,788 including interest. (Cost \$860,000)(c)

	860,000	860,000
TOTAL INVESTMENTS — 99.8% (Identified cost \$410,663,973)(d)		452,312,568
Cash and receivables		31,758,512
Liabilities		(30,903,028)
TOTAL NET ASSETS — 100.0%		\$ 453,168,052

CGM MUTUAL FUND

- (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 (other than short-term obligations purchased with an original or remaining maturity of sixty days or less) 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. Short-term investments purchased with an original or remaining maturity of sixty days or less are valued at amortized cost, which approximates value.

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 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.).

CGM MUTUAL FUND

- 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 March 31, 2015:

<u>Classification</u>	<u>Valuation Inputs</u>		
	<u>Level 1 - Quoted Prices</u>	<u>Level 2 - Other Significant Observable Inputs</u>	<u>Level 3 - Significant Unobservable Inputs</u>
Investments in Securities-Assets			
Common Stocks*	\$ 331,998,050	\$—	\$—
Debt Securities			
United States Treasury Notes	—	119,454,518	—
Repurchase Agreement	—	860,000	—
Total	<u>\$ 331,998,050</u>	<u>\$ 120,314,518</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) 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

CGM MUTUAL FUND

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, 2015, the Fund had an investment in a repurchase agreement for which the value of the related collateral exceeded the value of the repurchase agreement.

- (d) Federal Tax Information: At March 31, 2015, the net unrealized appreciation on investments based on cost of \$411,579,095 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	\$ 42,579,224
Aggregate gross unrealized depreciation for all investments in which there is an excess of tax cost over value	(1,845,751)
	<u>\$ 40,733,473</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.

MLP: Master Limited Partnership - A type of limited partnership that is publicly traded.

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-Q)

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-Q. The Fund's Forms N-Q are available on the SEC's website at www.sec.gov and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.

MAILING ADDRESS

CGM Shareholder Services
c/o Boston Financial Data Services
P.O. Box 8511
Boston, MA 02266-8511

WEBSITE

www.cgmfund.com