

CGM Focus Tr (cgmfx) - This manager reports semi-annually.

9/30/09 (unless otherwise indicated)

Portfolio Manager: Heebner, G. Kenneth
Manager Start Date: 9/3/97
Investment Support:
Category: Large Growth

Assets in our Portfolio: 7.8 mil
Assets Under Management: 3,606 mil
AUM Last Year (2008): 4,161 mil
AUM Three Years Ago (2006): 2,276 mil

Geo Average Market Cap: 35,672 mil

Top Sectors: (financials, healthcare, energy)
Mstar Rating: 3 star
Largest Holdings:
 6/30/09
 Ford Motor Company 7.5%
 Goldman Sachs Group Inc. 7.2%
 Amazon.com Inc. 6.6%
 Baidu Inc ADR 5.7%
 J.C Penney Company Inc. 5.7%
 32.7%

Number of Holdings: 21 stock 0 bond

Qualitative Description: 10/21/2009 - new report

As this fund posted eye-popping gains leading up to the market's meltdown in 2008, we cautioned investors about the risks of its strategy. Management's highly concentrated style often features large individual position sizes and portfolios of fewer than 25 stocks. That stance and an emphasis on highfliers are capable of attractive results, but sector bets and misfires on a number of stocks laid the fund low in 2008. Its 48% loss for the year was one of the large-growth category's worst, and painful evidence of what can happen when the fund's strategy backfires. To be fair, 2008 was an extraordinarily bad year and management's style will likely return to market favor at some point. Even so, we're skeptical that many investors will pocket the fund's potential gains. Despite the fund's top-quartile annualized returns over the trailing three-, five-, and 10-year periods through September 2009, its Investor Returns--an estimate of how the typical investor in the fund has fared over time--for those periods suggest that many investors missed out on all of the fund's gains. During the two years leading up to 9/2008, the fund took in an average of roughly \$208 million in inflows each month. During the 12 months leading up to that fateful month, it averaged a monthly \$398 million in inflows. Many of those investors were undoubtedly attracted by the fund's previous gains, only to lose a big part of their investment in 2008. An estimated \$1.2 billion in outflows since September 2008 represent hundreds if not thousands of investors who risk locking in their losses and missing out on the fund's eventual rebound. Clearly, many investors have not used the fund effectively. Not a knock on its management, obviously, but given this fund's volatile ups and downs, the chance of buying or selling it at the wrong time is a material risk for investors thinking of buying it.

Performance Record

	<u>+/- RMV</u>	<u>+/- S&P 500</u>	<u>% Rank in Cat</u>
3-Month	-12.93%	-4.92%	97
1-Year	-27.94%	-28.15%	100
3-Year Annualized	6.76%	6.54%	7
5-Year Annualized	4.25%	13.21%	3

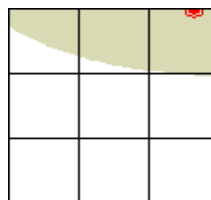
Morningstar Rating Risk/Return

	<u>Return</u>	<u>Risk</u>	<u>Rating</u>
3-Year:	High	High	2 star
5-Year:	High	High	3 star
10-Year:	High	High	5 star

% Investment in Various Economic Sectors

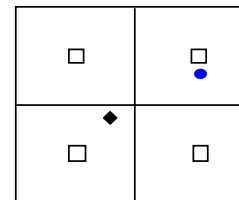
	<u>Benchmark</u>	<u>Option</u>	<u>morgan</u>	<u>cgmfx</u>	<u>nbptx</u>	<u>gsmcx</u>	<u>pavlz</u>
Information Economy	4.8	16	19	14.4	15.9	11.9	19.6
Service Economy	43.7	44	40	61.2	54.7	44.0	41.8
Mfg. Economy	51.52	40	41	24.4	29.4	44.1	38.5

Ownership Zone



● zone represents 75% of domestic stock holdings
 ● the centroid represents wghtd. avg. domestic stock holdings

Return Based Style



● Manger
 ◆ Benchmark

Quantitative Description

R-Squared (RMV): 45.94%
Alpha (RMV): 8.81%
Beta (RMV): 0.86
Turnover: 504
Standard Deviation: 32.13%
Sharpe Ratio: -0.05
Info Ratio (RMV): 0.28

Fiduciary Grade not reported

Expense Ratios

Expense Ratio: 1.27
Revenue Sharing: 0.00
Our Expense Ratio: 1.27

Investment Valuation

	<u>Manager</u>	<u>6/30/09</u>	<u>Rel. to Cat.</u>
P/E (Prospective):	19.7		1.2
P/B:	1.3		0.6
P/Sales:	0.7		0.6
P/Cash Flow:	10.0		1.5
P/Dividend Yield:	2.4		1.3

Growth Rates

	<u>Manager</u>	<u>6/30/09</u>	<u>Rel. to Cat.</u>
Long Term Earnings:	13.7		1.1
Historical Earnings:	-18.7		-1.6
Sales Growth:	-9.1		-0.8
Cash-Flow Growth:	17.3		1.3
Book-Value Growth:	12.0		2.1

SEC Filings EDGAR (%) - as of 7/31/09

	<u>Long</u>	<u>Short</u>	<u>Net</u>	<u>Largest Long</u>	<u>Largest Short</u>
	100%	0%	100%	Petroleo Bras	n/a