HUGHES CAPITAL MANAGEMENT, INC.

CREATING OPPORTUNITY THROUGH INVESTMENT EXCELLENCE

SINCE 1993

FIXED INCOME ASSET MANAGEMENT

Item 1 – Cover Page

HUGHES CAPITAL MANAGEMENT, INC.

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WWW.HUGHESCM.COM

MARCH 1, 2014

This Brochure provides information about the qualifications and business practices of HUGHES CAPITAL MANAGEMENT, INC. If you have any questions about the contents of this Brochure, please contact us at (703) 684-7222 and/or info@hughescm.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

HUGHES CAPITAL MANAGEMENT, INC. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about HUGHES CAPITAL MANAGEMENT, INC. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

HCM last updated its Brochure in March 2013. Since that time, the firm has had no material changes to report.

In the past, we have offered or delivered information about our qualifications and business practices to clients on, at least, an annual basis. Pursuant to SEC Rules, we ensure that you will receive a summary of any materials changes to this Brochure within 120 days of the close of the calendar year or during the year should it be necessary to submit an updated ADV Part 2 to the SEC.

We will further provide changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Hughes Capital Management, Inc. at (703)684-7222 and/or info@hughescm.com.

Additional information about Hughes Capital Management, Inc. is also available via the SEC's web site www.adviserinfo.sec.gov.

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Item 4 – Advisory Business

Hughes Capital Management, Inc. (HCM) was founded in August 1993 by Frankie D. Hughes, President and Chief Investment Officer of the firm. Ms. Hughes owns 100% of HCM. She has over 30 years of fixed income experience, including 19 years as a fixed income portfolio manager. Prior to establishing HCM, Ms. Hughes was Director of the Asset Management Division, Portfolio Manager and Member of the Investment Policy Committee at WR Lazard & Co. While at WR Lazard & Co., she developed the structured fixed income product that is still in use today at HCM.

Since registering as an investment advisor with the U.S. Securities and Exchange Commission in 1993, HCM has been dedicated exclusively to providing fixed income portfolio management to private and public sector funds, focusing on tax-exempt portfolios for state and local governments, Taft-Hartley plans, corporations and philanthropic institutions. As of December 31, 2013, HCM manages $1,001,352,000 in assets on a discretionary basis.

As a structured fixed income asset manager, HCM offers a range of strategies based upon one fundamental conceptual framework. These strategies are duration neutral and add value by sector emphasis and security selection.

Item 5 – Fees and Compensation

Hughes Capital Management, Inc. (HCM) Annual Fee Schedule:

Up to $25 MM 30 BP
Next $25 MM 25 BP
Next $50 MM 20 BP
Over $100 MM Negotiated

Minimum Annual Fee $30,000
Minimum Account Size $10,000,000
All Accounts Are Separately Managed.

All fees are subject to negotiation.

The specific manner in which fees are charged by HCM is established in a client's written agreement with HCM. HCM bills its fees on a quarterly basis in arrears at the end of each calendar quarter. Clients are billed directly and HCM does not debit fees from client accounts.

Management fees are prorated for large capital contributions and withdrawals made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any earned, unpaid fees will be due and payable.

HCM invests only in fixed income securities, therefore, no brokerage commissions are incurred by the client. However, clients may incur certain charges imposed by custodians such as relationship management services fees, custodial fees for assets, wire transfer and electronic fund fees, and other custodial service fees. Such charges and fees are exclusive of, and in addition to, HCM's management fee, and HCM does not receive any portion of these custodial costs.

Item 6 – Performance-Based Fees and Side-By-Side Management

Hughes Capital Management, Inc. does not have any performance fee arrangements with existing clients.

Item 7 – Types of Clients

Hughes Capital Management, Inc. provides investment management services to private and public institutional funds including corporate pension and profit-sharing plans; Taft-Hartley plans; foundations; endowments; and, state and local municipalities.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Overview of Hughes Capital Management's (HCM) Investment Process: Utilizing fundamental analysis and an assessment of relative value within the context of current

market conditions, future movements in interest rates, shifts in the shape of the yield curve as well as sector spread changes are forecasted to derive our portfolio strategies. In order to formulate these strategies, a wide array of factors are considered, including: economic conditions, inflation, Federal Reserve policy, non-Treasury securities' spread levels, supply/demand factors, yield curve structure, equity markets, dollar valuation, commodity prices, foreign economies and markets, government regulation and policies, and international conflicts.

Although a considerable amount of time is allocated to formulating our duration and yield curve strategies, we spend significantly more time analyzing and evaluating corporate credits and structured securities as well as determining relative values between sectors. For individual securities, within the corporate sector, we assess the credit quality of a company through the application of a rigorous seven factor evaluation. In addition, considerable attention is paid to ascertaining the catalysts which will ultimately drive a change in the credit quality of a firm.

Similarly, our process of analyzing structured securities is extremely thorough. We evaluate a security's projected future cash flows through the use of stress tests and horizon return analyses. In addition, we analyze the structural support of a security by examining the imbedded credit enhancement features as well as assessing the quality of the underlying collateral.

Overlaying our credit and security structure analyses is our relative value analysis. Its objective is to determine which securities currently have value, relative to others at current market levels. We make option-adjusted yield spread comparisons between securities, taking into account differences in credit quality and structure. Breakeven analyses are also performed to determine the extent to which a security's spread can widen and still outperform Treasuries. Finally, projections are made as to the future direction of a security's yield spread and an evaluation of the security's downside risk is performed.

For more information regarding HCM's investment strategies, please contact Hughes Capital Management, Inc. at (703)684-7222 or info@hughescm.com.

Investing in securities involves risk of loss that clients should be prepared to bear. The principal risks, which could adversely affect a fixed income portfolio's asset value, yield and total return, are:

Interest Rate Risk: the risk that fixed income securities will decline in value because of an increase in interest rates; a portfolio with a longer average duration will be more sensitive to changes in interest rates than a portfolio with a shorter average duration.

Cash Withdrawals Risk: the portfolio manager may need to sell the portfolio's holdings in order to meet clients' cash withdrawal requests. The portfolio could experience a loss when selling securities to meet these requests if the requests are unusually large or frequent, occur in times of overall market turmoil or declining prices for the securities sold, or when the securities the portfolio manager wishes to, or is required to, sell are illiquid.

Credit Risk: the risk that the portfolio could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.

Market Risk: the risk that the value of securities owned by the portfolio may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.

Issuer Risk: the risk that the value of a security may decline for reasons directly related to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

Liquidity Risk: the risk that a particular investment may be difficult to sell and that the portfolio may be unable to sell illiquid securities at an advantageous time or price or achieve its desired level of exposure to a certain sector.

Mortgage-Related and Other Asset-Backed Risk: the risks of investing in mortgage-related and other asset-backed securities include interest rate risk, extension risk and prepayment risk. When mortgages and other obligations are prepaid and when securities are called, the portfolio manager may have to reinvest in securities with a lower yield or fail to recover additional amounts (i.e., premiums) paid for securities with higher interest rates, resulting in an unexpected capital loss and/or a decrease in the total return.

Management Risk: the risk that the investment strategy process and risk analyses applied by HCM will produce the desired results and that legislative or regulatory developments may affect the investment techniques available to HCM and the individual portfolio manager in connection with managing the portfolio. There is no guarantee that the investment objective of the portfolio will be achieved.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Hughes Capital Management, Inc. (HCM) or the integrity of HCM's management. HCM has no information that is applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

Hughes Capital Management, Inc. does not engage in any other financial industry activities and has no affiliations with other firms. The firm is 100% employee-owned. HCM does not receive compensation for recommending or selecting other investment advisers for its clients.

Item 11 – Code of Ethics

Hughes Capital Management, Inc. (HCM) has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at HCM must acknowledge the terms of the Code of Ethics annually, or as amended.

HCM's employees and persons associated with HCM are required to follow HCM's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of HCM may trade for their own accounts in securities which are recommended to and/or purchased for HCM's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of HCM will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their

own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of HCM's clients. Employee trading is monitored under the Code of Ethics, to reasonably prevent conflicts of interest between HCM and its clients. HCM provides clients or prospective clients with a copy of the firm's Code of Ethics upon request.

HCM's does not engage in any principal or agency-cross securities transactions for client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency-cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. On occasion usually due to a client request for a change in strategy, HCM will use an external broker to exchange a security from one client's account to another. The external broker, as well as each client's respective custodian monitor and confirm the trade.

Item 12 – Brokerage Practices

Hughes Capital Management, Inc. (HCM) does not engage in soft dollar transactions; receive brokerage client referrals; or, have directed brokerage accounts. HCM will sometimes receive unsolicited research material from brokerage firms.

Item 13 – Review of Accounts

All accounts managed by Hughes Capital Management, Inc. (HCM) are reviewed on a daily basis by the portfolio manager responsible for the day to day activities of the accounts; and, weekly, by the investment committee.

An analysis of the clients' portfolio performance versus the applicable benchmark is reviewed by HCM's CIO, portfolio manager and CCO on a monthly basis.

Reconciliation of all portfolio transactions and cash balances are done daily, and portfolio holdings are reconciled monthly by HCM's portfolio administration associates.

HCM's written client reports are prepared and distributed on, at least, a quarterly basis at calendar quarter-end. Standard reports include the following: a) a list of all holdings at the end of the quarter with month-end closing prices; b) a list of all transactions during the quarter; c) portfolio performance during the quarter and for longer time-frames including year-to-date, 1 year, 3 year, 5 year and since inception; d) portfolio performance relative to the benchmark; and, e) a quarterly commentary of the markets for the specified quarter. HCM does provide customized reports when necessary to meet the needs of the client.

Clients may also elect to receive reports on a monthly basis. The content of the standard monthly report is the same as the quarterly report with the exception of the market commentary, which is only available on a quarterly basis.

Item 14 – Client Referrals and Other Compensation

Hughes Capital Management, Inc. (HCM) does not compensate any person(s) or entities for referrals.

Item 15 – Custody

Hughes Capital Management, Inc. (HCM) does not have custody of any clients' assets; does not select the custodian for its clients; and, does not have authority to debit advisory fees from clients' accounts.

Item 16 – Investment Discretion

Hughes Capital Management, Inc. (HCM) receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment guidelines for the particular client account.

When selecting securities and determining amounts, HCM observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to HCM by the client in writing at the outset of an advisory relationship.

Item 17 – Voting Client Securities

As a fixed income only investment advisor, Hughes Capital Management, Inc. (HCM) does not have any authority to, and does not, vote proxies on behalf of advisory clients. HCM does make decisions on behalf of its clients for applicable fixed income corporate actions, such as participation in voluntary calls for bond securities.

Item 18 – Financial Information

Hughes Capital Management, Inc. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

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Justin R. Malkin, CFA

Hughes Capital Management, Inc.

916 Prince Street, 3rd Floor

(703) 684-7222

March 31, 2014

This Brochure Supplement provides information about Justin R. Malkin that supplements the Hughes Capital Management, Inc. Brochure. You should have received a copy of that Brochure. Please contact Hughes Capital Management, Inc. at (703) 684-7222 or info@hughescm.com if you did not receive the firm's Brochure or if you have any questions about the contents of this supplement.

Item 2- Educational Background and Business Experience

Justin R. Malkin, 42, joined Hughes Capital Management, Inc. as an investment credit analyst in September 2008, and has been responsible for thorough evaluations of corporate credits as well as analysis across sectors including Aerospace/Defense; Bank/Finance/ Insurance; Oil/Gas; Electric Utilities; Retail; Rail; Consumer Products; and, Cable/ Media/Telecom. In March 2014, Mr. Malkin took over the portfolio management responsibilities for all the firms clients' portfolios. Mr. Malkin was previously with Citigroup, NY from 1998 to 2008; the last four years of which, he was an investment credit analyst responsible for conveying credit opinions and investment recommendations within the corporate bond universe.

Mr. Malkin received the designation of CFA (Chartered Financial Analyst) in 2004. He holds an MBA in Finance/Accounting from the University of Rochester and a BA in Economics from the University of California at Berkeley.

[Minimum qualifications required for the CFA designation: must have four years of qualified investment work experience, become a member of CFA Institute, pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis, apply for membership to a local CFA member society, and complete the CFA Program. The CFA Program is organized into three levels, each culminating in a six-hour exam. Completing the program takes most candidates between two and five years.]

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Hughes Capital Management, Inc. has no information applicable to this item.

Item 4- Other Business Activities

No information is applicable to this item.

Item 5- Additional Compensation

No information is applicable to this item.

Item 6 - Supervision

Frankie D. Hughes, chief investment officer of Hughes Capital Management, Inc., is responsible for monitoring the activities of Justin R. Malkin, portfolio manager for Hughes Capital Management, Inc. Frankie Hughes can be reached at (703) 684-7222 or fhughes@hughescm.com. Ms. Hughes and Mr. Malkin meet weekly to discuss client portfolios and investment strategies; and, to assess the short-term and long-term outlooks for the fixed income markets.