



## The Dreadnought Group

Dreadnought Capital Management Corporation

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### **As of March 27, 2014**

This Brochure provides information about the qualifications and business practices of Dreadnought Capital Management Corporation. If you have any questions about the contents of this Brochure, please contact us at 203.344.9406. 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.

Dreadnought Capital Management Corporation 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 that should be evaluated before you determine to hire or retain an adviser.

This Brochure provides information regarding Dreadnought Capital Management Corporation and its advisory services that should be considered before becoming a client of Dreadnought Capital Management Corporation. This Brochure also provides information about the qualifications and business practices of Dreadnought Capital Management Corporation.

Additional information about Dreadnought Capital Management Corporation is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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#### Item 4 – Advisory Business

Dreadnought Capital Management Corporation is a Delaware corporation and is registered with the United States Securities and Exchange Commission (“SEC”) as an investment adviser under the Investment Advisers Act of 1940. Dreadnought Capital Management Corporation is a wholly owned subsidiary of The Dreadnought Group, LLC, a Delaware limited liability company. Dreadnought Capital Management Corporation was incorporated in February of 2009.

Direct Owners and Executive Officers of Dreadnought Capital Management Corporation are as follows:

<u>Name</u>	<u>Title</u>
The Dreadnought Group, LLC	100% Corporate Owner
Kenneth Charles Rogozinski	Co-Chief Executive Officer and Chief Compliance Officer
Mirza (NMI) Kafedzic	Co-Chief Executive Officer and Chief Financial Officer

Indirect Owners of Dreadnought Capital Management Corporation are as follows:

<u>Name</u>	<u>Ownership Percentage (Range)</u>
Kenneth Charles Rogozinski	25-50%
Mirza (NMI) Kafedzic	25-50%

Assets under management (as of December 31, 2013) are as follows:

	US \$ Amount	Total Number of Accounts
Discretionary	\$400,000.00	1
Non-Discretionary	\$158,966,794.00	2
Total	\$159,366,794.00	3

Dreadnought Capital Management Corporation manages investment portfolios on both a discretionary and non-discretionary basis. Dreadnought Capital Management Corporation is not affiliated with a broker-dealer and does not hold custody of client assets. Services provided include the selection, analysis, buying, funding and selling of municipal bond positions as well as entering into financial products such as derivatives for the purpose of hedging municipal bond positions and taking advantage of market opportunities.

All accounts are individually managed for each client based on individual considerations such as liquidity requirements, cash flow, risk tolerance and tax preferences. Investment management services are based on each client's individual goals and circumstances. Through personal discussions in which goals and objectives are discussed, an individual investment approach is determined which sets the risk tolerance guidelines for the account.

#### Item 5 – Fees and Compensation

The annual fee for investment management services will be charged as either a flat fee or as a percentage of total client assets under management. The basic fee schedule ranges from 0.125% to 3.00% on capital managed and are negotiated with each client. Billing is in arrears on a monthly or quarterly basis, based on the average account balance at the close of the calendar month or quarter for which the fee is applicable based on the market value of securities held (or fair market value in the absence of market value).

#### Item 6 –Side-By-Side Management

Dreadnought Capital Management Corporation serves as the adviser for a trust controlled by its 100% corporate owner. The investment strategy of this trust is significantly different and not appropriate for our clients, which results in no conflict of interest in account management. Dreadnought Capital Management Corporation reserves the right to change the strategy of this trust. If a change in strategy results in any potential conflict with client accounts, clients will be notified in writing.

#### Item 7 – Types of Clients

Dreadnought Capital Management Corporation provides investment management services for institutional clients.

Minimum account balance/committed capital of \$5 million for institutions are required.

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

Our strategies are focused on the municipal bond, renewable energy and project finance sectors of the fixed income markets. Types of investments are municipal bonds and other project finance debt. Our investment strategies and methods of analysis are based on the fundamental structure of each individual bond issue. We rely on official statements, issuer financial filings, rating agency analysis and research. Material risks involve market risks including, but not limited to duration risk, credit risk and counterparty risk. Investing in securities involves risk of loss that clients should be prepared to bear.

#### 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 Dreadnought Capital Management Corporation or the integrity of Dreadnought Capital Management Corporation's management.

Neither Dreadnought Capital Management Corporation nor its officers have been subject to any regulatory action.

#### Item 10 – Other Financial Industry Activities and Affiliations

The corporate owner of Dreadnought Capital Management Corporation serves as sponsor of and shareholder of certain Delaware Statutory Trusts for which Dreadnought Capital Management Corporation will provide investment supervisory and management services.

#### Item 11 – Code of Ethics

Dreadnought Capital Management Corporation's Code of Ethics, contained in Dreadnought Capital Management Corporation's compliance manual, addresses topics such as, but not limited to, personal trading, insider trading and tipping, overview of regulatory environment and the Company's duties to clients, annual review of policies and procedures and annual acknowledgements.

Dreadnought Capital Management Corporation will provide the Code of Ethics to any client or prospective client upon request.

Dreadnought Capital Management Corporation may in certain instances recommend to clients that they buy or sell securities that are sold or bought from a related person. These activities will adhere to each client's investment policy and will also adhere to Dreadnought Capital Management Corporation's compliance manual and code of ethics. The purchase or sale price of securities will be at market levels.

Dreadnought Capital Management Corporation may in certain instances buy or sell securities for related persons that are also recommended to clients. These activities will adhere to each client's investment policy and will also adhere to Dreadnought Capital Management Corporation's compliance manual and code of ethics. The purchase or sale price of securities will be at market levels.

## Item 12 – Brokerage Practices

Dreadnought Capital Management Corporation receives no research or other soft dollar benefits from broker-dealers that it selects for client transactions.

Dreadnought Capital Management Corporation's authority on the securities to be bought and sold and the amount of securities to be bought and sold without obtaining specific client consent will be limited to the authority granted to Dreadnought Capital Management Corporation under the investment policy, investment advisor agreement, management agreement or trust agreement for each client.

Dreadnought Capital Management Corporation's selection of brokers or dealers to be used will not be limited when buying and selling securities.

The use of broker or dealers and/or counterparties on financial product transactions such as derivatives will in most cases be limited to firms with ratings in the double A (AA) category or higher as per the investment policy or trust agreement. The factors used in selecting broker or dealers to be used will be their prowess in the municipal bond and derivatives markets as well as their ratings for financial product transactions. The factors used in determining the reasonableness of their commissions will be if they are within the standard fees in the market for similar types of securities and financial products.

## Item 13 – Review of Accounts

Investment decisions are made by the officers of Dreadnought Capital Management Corporation (educational and business backgrounds are listed below). Dreadnought Capital Management Corporation's investment personnel operate as a team without individual account assignments. Accounts are continuously monitored based upon changes in market conditions, individual security fluctuations, and client cash additions/withdrawals (among other factors). There is a daily calculation of accrued interest and mark-to-market value on all positions. Mark-to-market values will be calculated using values from brokers or dealers and independent third party valuation services. To the extent third party mark-to-market values are unavailable or not possible, a good faith fair market analysis will be performed.

Clients will receive at least a quarterly statement of net asset value which will also include accrued interest.

## Item 14 – Client Referrals and Other Compensation

Dreadnought Capital Management Corporation may retain solicitation agents to refer clients in accordance with Investment Advisers Act of 1940 Rule 206(4)-3, and such solicitors may receive compensation reflecting a percentage of the advisory fees received from referred clients.

In addition, Dreadnought Capital Management Corporation may retain placement agents as solicitors for its private funds that are licensed as, or affiliated with, broker-dealers, and may compensate such solicitors for client referrals between 0.05% to 3.50% of capital committed or drawn from the referred clients.

As of December 2010, Dreadnought Capital Management Corporation did not have any relationships with solicitation agents.

#### Item 15 – Custody

Dreadnought Capital Management Corporation does not have custody of client funds or securities.

#### Item 16 – Investment Discretion

Dreadnought Capital Management Corporation accepts discretionary authority to manage securities accounts on behalf of clients. In addition to an advisory agreement, clients with a discretionary account will also execute a trading authorization and power of attorney with Dreadnought Capital Management Corporation.

#### Item 17 – Voting Client Securities

The securities targeted by our investment strategies do not routinely require voting actions. Individual client custodians will be notified by individual bond trustees in the event that bondholder consents or directions are required.

#### Item 18 – Financial Information

Dreadnought Capital Management Corporation does not require the prepayment of client fees.

#### Item 19 – Requirements for State-Registered Advisers

##### Education and Business Background

Kenneth C. Rogozinski

YOB: 1962

Formal education after high school: BS in Finance from Fordham University and MBA in Finance from The Wharton School of the University of Pennsylvania

Business background for the preceding five years: 3/13 to present: Co-CEO, Dreadnought Capital Management Corporation; 2/09 to 3/13: CEO, Dreadnought Capital Management Corporation; 7/07 to 1/09: Executive Director, JP Morgan Securities Inc.; 4/06 to 6/07: Executive Director, Morgan Stanley & Co.; 1/98 to 4/06: Vice President, Greystone & Co., Inc.

Mirza Kafedzic

YOB: 1980

Formal education after high school: BS in Finance and BA in Economics from the University of Florida

Business background for the preceding five years: 3/13 to present: Co-CEO, Dreadnought Capital

Management Corporation; 4/09 to 3/13: Vice President, Dreadnought Capital Management Corporation;

7/07-11/08: Vice President, JP Morgan Securities Inc.; 7/03-7/07: Associate, Citigroup Global Markets,

Inc.