

FORMADV

Uniform Application for Investment Adviser Registration

Part II - Page 1

OMS Number: 3235-0049
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hours per response 4.07

Name of Investment Adviser:

KRA Capital Management, Inc.

Address: (Number and Street)

4041 University Dr., Suite 200

(City)

Fairfax

(State)

VA

(Zip Code)

22030

Area Code: Telephone Number:

(703) 691-7810

This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any government authority.

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

FORM ADV**Part II - Page 2**

Applicant:

KRA Capital Management, Inc.

SEC File Number:

801-56022

Date:

1/12/09

Definitions for Part II

Related person - Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services - Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service.
(See instruction below.)

- Applicant:
- | | | | |
|-------------------------------------|-----|---|------------|
| <input type="checkbox"/> | (1) | Provides investment supervisory services | _____ % |
| <input checked="" type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services | _____ 100% |
| <input type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above | _____ % |
| <input type="checkbox"/> | (4) | Issues periodicals about securities by subscription | _____ % |
| <input type="checkbox"/> | (5) | Issues special reports about securities not included in any service described above | _____ % |
| <input type="checkbox"/> | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities | _____ % |
| <input type="checkbox"/> | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities | _____ % |
| <input type="checkbox"/> | (8) | Provides a timing service | _____ % |
| <input type="checkbox"/> | (9) | Furnishes advice about securities in any manner not described above | _____ % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B.	Does the applicant call any of the services it checked above financial planning or some similar term?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
----	---	------------------------------	--

C. Applicant offers investment advisory services for: (check all that apply):

- | | | | |
|---|--|------------------------------|-------------------|
| <input checked="" type="checkbox"/> (1) | A percentage of assets under management | <input type="checkbox"/> (4) | Subscription fees |
| <input type="checkbox"/> (2) | Hourly charges | <input type="checkbox"/> (5) | Commissions |
| <input checked="" type="checkbox"/> (3) | Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) | Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of Clients - Applicant generally provides investment advice to: (check those that apply)

- | | | | |
|--|----------------------------------|--|---|
| <input type="checkbox"/> A. | Individuals | <input type="checkbox"/> E. | Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. | Banks or thrift institutions | <input type="checkbox"/> F. | Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. | Investment companies | <input checked="" type="checkbox"/> G. | Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> D. | Pension and profit sharing plans | | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

FORM ADV**Part II - Page 3**

Applicant:

KRA Capital Management, Inc.

SEC File Number:

801- 56022

Date:

1/12/09**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- | | |
|---|---|
| <input checked="" type="checkbox"/> A. Equity Securities | <input type="checkbox"/> H. United States government securities |
| <input type="checkbox"/> (1) exchange-listed securities | |
| <input type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> I. Options contracts on: |
| <input type="checkbox"/> (3) foreign issues | <input type="checkbox"/> (1) securities |
| | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | |
| <input type="checkbox"/> C. Corporate debt securities | <input type="checkbox"/> J. Futures contracts on: |
| (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| | <input type="checkbox"/> (2) intangibles |
| <input type="checkbox"/> D. Commercial paper | |
| <input type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (1) real estate |
| | <input type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> G. Investment company securities | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input type="checkbox"/> (2) variable annuities | |
| <input type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.**A.** Applicant's security analysis methods include: (check those that apply)

- | | |
|---|---|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases |
| (4) <input type="checkbox"/> Corporate rating services | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options,
uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | |
| (4) <input type="checkbox"/> Short sales | (7) <input type="checkbox"/> Other (explain on Schedule F) |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

FORM ADV**Part II - Page 4**

Applicant:

KRA Capital Management, Inc.

SEC File Number:

801-56022

Date:

1/12/09**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?

Yes No
☒ ☐

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- | | |
|-----------------|--|
| • name | • formal education after high school |
| • year of birth | • business background for the preceding five years |

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?

Yes No
☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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Applicant:

KRA Capital Management, Inc.

SEC File Number:

801- **56022**

Date:

1/12/09**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes

☒

No

☐

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Client accounts are reviewed continuously. Triggering factors are generated by the financial models developed by KRA Capital Management, Inc.. Nitin M. Chittal and George E. Fanady, Jr., are both reviewers and evenly allocate review responsibilities.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

At a minimum, clients receive monthly statements and transaction reports for investments from the brokerage firms processing transactions. At a minimum, clients receive quarterly statements from KRA Capital Management, Inc. summarizing the performance and transactions of the portfolio.

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

Applicant:

KRA Capital Management, Inc.

SEC File Number:

801-56022

Date:

1/12/09

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

(1) securities to be bought or sold?

Yes No

☒ ☐

(2) amount of the securities to be bought or sold ?

Yes No

☒ ☐

(3) broker or dealer to be used ?

Yes No

☒ ☐

(4) commission rates paid?

Yes No

☒ ☐

B. Does applicant or a related person suggest brokers to clients?

Yes No

☒ ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients?

Yes No

☐ ☒

B. directly or indirectly compensates any person for client referrals?

Yes No

☐ ☒

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities; or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?

Yes No

☐ ☒

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: KRA Capital Management, Inc.	SEC File Number: 801-56022	Date: 1/12/2009
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: KRA Capital Management, Inc.		IRS Empl. Ident. No.: 54-1931726
Item of Form (identify)	Answer	
Part II, P.2(D) (g)	<p>Client accounts will be charged a management fee of between 25 to 100 basis points depending on the size of the investment; said fee is payable on a quarterly basis typically in arrears. In certain situations clients may request maximum fee "caps" in which event said maximum fee will still be calculated on the same basis as noted above. At all times KRA Capital Management, Inc. will be in compliance with Rule 205-3 of the Investment Advisors Act of 1940.</p> <p>KRA Capital Management, Inc. will provide investment management services for investments in publicly traded real estate securities by institutional and other clients. Client accounts that managed by KRA Capital Management, Inc. will be charged a management fee that will be negotiated on a client by client basis; paid quarterly. Refunds will not be allowed and termination prior to expiration of an investment advisory contract will only occur due to a cancellation or default of said contract. KRA Capital Management, Inc. intends to utilize agreements as provided by client prospects. Said advisory services will be limited to publicly traded real estate securities.</p> <p>Clients include Defined benefit pension plan and labor unions</p>	
Part II, P.3, 4a5,4b8	KRA prepares financial models and analysis as a part of its research process.	
Part II, P. 4 & 5	KRA Capital Management, Inc. requires that those involved in determining and rendering investment advice have an undergraduate degree, a financial background, and significant real estate industry experience.	
Part II, P.4 & 6	<p>Nitin M. Chittal Date of Birth: April 29, 1958 George Mason University, 1981, B.S. Accounting/Finance</p> <p>During the last seven years Mr. Chittal served as CEO & CFO of SFRE, Inc. an institutional asset management company dealing with direct investments in commercial real estate. Mr. Chittal has acted in a fiduciary capacity for in excess of one billion dollars of real estate investments. (Also see Schedule D for Nitin M. Chittal).</p> <p>George E. Fanady, Jr. Date of Birth: January 24, 1965 Virginia Tech, 1987, BS Accounting/Finance</p> <p>During the last 5 years, Mr. Fanady has served as a Manager and Senior Manager with the real estate advisory services group of PriceWaterhouse/Coopers and Ernst & Young/Kenneth Leventhal. Mr. Fanady has served in an advisory capacity for numerous REITs and is considered an expert in the field. (Also see Schedule D for George E. Fanady, Jr.).</p>	
Part II, P.5 & 9	The principals of KRA Capital Management, Inc., may from time to time, invest some of their liquid assets in real estate securities that may also be recommended to their clients. This should have no effect on client accounts as trading decisions are the same for clients and the principals.	

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:
KRA Capital Management, Inc.

SEC File Number:
801-56022

Date:
1/12/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: KRA Capital Management, Inc.		IRS Empl. Ident. No.: 54-1931726
Item of Form (identify)	Answer	
Part II, P.5 & 10	The minimum account for management of assets is \$1,000,000 subject to the discretion of KRA Capital Management, Inc.	
Part II, P.6 12A(1)(2)	KRA Capital Management, Inc. may take trading discretion on accounts. Direction involves having the authorization to direct exchanges of real estate related securities.	
Part II, P.6 12A(3)(4), 12B	KRA Capital Management, Inc. will determine the broker or broker dealers to be utilized unless the client specifies a broker to be used. Commission schedules are specified by the brokers; therefore clients will not pay commissions higher than those obtainable from other brokers. Many brokers provide discounts based upon the dollar volume invested. All fees will be explained to clients prior to investing.	
Part II, P.5 Item 9	KRA Capital Management, Inc. maintains a written code of Ethics as prescribed under Rule 204A-1 of the Act. A copy of this code is available upon request by any interested party including current and prospective clients. The Code of Ethics includes restrictions, internal procedures and disclosures which address among other things, conflict of interest issues.	

Complete amended pages in full, circle amended items and file with execution page (page 1).

OMS APPROVAL

OMS Number: 3235-0049

Expires: February 28, 2011

Estimated average burden

hours per response 4.07Schedule I of Form ADV
for Declaring Eligibility for SEC
Registration
Page 1Applicant:
KRA Capital Management, Inc.SEC File No.
801-56022Date:
1/12/09
MM/DD/YY

Part I - Eligibility for SEC Registration

Section 203(h) of the Investment Advisers Act of 1940 ("Advisers Act") authorizes the Commission to cancel or deny the registration of any investment adviser that does not meet the criteria for SEC registration set forth in section 203A of the Advisers Act. This Part I requires applicant to declare whether it is eligible, or continues to be eligible, for Commission registration.

Check either (a) or (b):

(a) ~ Applicant is eligible (or will remain eligible) for SEC registration.

In order for an applicant to be eligible (or remain eligible) for SEC registration, applicant must respond affirmatively (by checking the appropriate box or boxes) to at least one of the items (i) through (ix) below:

Applicant:

- (i) ☐ has assets under management of \$25 million (in U.S. dollars) or more;
Report assets under management in Part II if "assets under management" is the sole basis of applicant's eligibility for SEC registration (i.e., this item (i) is checked, and none of items (ii) through (ix) below are checked).
- (ii) ☐ has its principal office and place of business in Colorado, Iowa, Ohio, or Wyoming (See Instruction 3);
- (iii) ☐ has its principal office and place of business outside the United States (See Instruction 3);
- (iv) ☐ is an investment adviser to an investment company registered under the Investment Company Act of 1940 (See Instruction 4);
- (v) ☐ is a nationally recognized statistical rating organization;
- (vi) ☐ is a pension consultant that qualifies for the exemption in rule 203A-2(b) »;
- (vii) ☐ is an investment adviser that controls, is controlled by, or is under common control with, an investment adviser eligible to maintain its registration with the Commission, and whose principal office and place of business is the same as the eligible adviser (See Instruction 5 (a) »);
- (viii) ☐ is a newly formed adviser relying on rule 203A-2(d) (See Instruction 5 (bj));
- (ix) ☐ has received an order of the Commission exempting applicant from the prohibition on registration with the Commission.

Application number: 803-__

Date of Commission's order:

(b) ☐ Registrant is no longer eligible for SEC registration. (See Instruction 6)

Applicants are reminded that it is a violation of section 207 of the Advisers Act to make any untrue statement of a material fact in any report filed with the Commission, or willfully to omit to state in any such report any material fact that is required to be stated therein.

Complete Schedule I in full, circle amended items, and file with execution page (page 1 of Form ADV) and any other amended pages of Form ADV.

Schedule I of Form ADV
for Declaring Eligibility for SEC
Registration
Page 2

Applicant:
KRA Capital Management, Inc.

SEC File No.
801-56022

Date:
1/12/09

Part II Assets Under Management

Report assets under management if required by Part I (i.e., if item I (a) (i) checked yes "(x)" and is the sole basis for applicant's eligibility for SEC registration).

(a) State the amount of applicant's assets under management (in U.S. dollars): (See Instruction 7)

\$233,120,745 .00 as of 12/31/08 (date)
(in U.S. dollars)

Applicants are reminded that it is a violation of section 207 of the Advisers Act to make any untrue statement of a material fact in any report filed with the Commission, or willfully to omit to state in any such report any material fact that is required to be stated therein.

Complete Schedule I in full, circle amended items, and file with execution page (page 1 of Form ADV) and any other amended pages of Form ADV.