

Gamma Real Estate Capital Management, Inc. Form ADV, Part 2A: Firm Brochure

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This Firm Brochure for Gamma Real Estate Management, Inc. ("Brochure") provides information about the qualifications and business practices of Gamma Real Estate Capital Management, Inc. If you have any questions about the contents of this Brochure, please contact us at 212-933-0222 or jkalikow@gammare.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Gamma Real Estate Capital Management, Inc. ("Gamma" or the "Firm") is a registered investment advisor. Registration as an investment advisor does not imply a certain level of skill or training.

Additional information about Gamma is also available on the SEC's Website at www.adviserinfo.sec.gov.

Brochure Date: March 25, 2016

Item 2 – Material Changes

This item is intended to discuss any material changes that have occurred since Gamma's last annual amendment to the Form ADV. This brochure has been prepared in connection with the Firm's initial annual amendment to the Form ADV and therefore there are no material changes to disclose in relation to this item.

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* The SEC requires all investment advisors to organize their disclosure documents according to specific categories listed above, some of which may not pertain to the Firm’s business. When a required category is not relevant, this Brochure will state that it is not applicable.

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Item 4 – Advisory Business

A. Firm Description

Gamma is a Delaware corporation that was formed in December, 2014, with its only office located in New York, NY. Gamma's principal owners are N. Richard Kalikow and Jonathan Gilbert Kalikow.

B. Types of Advisory Services

The Firm provides discretionary investment advisory services to private pooled investment vehicles (each a "Client" or a "Fund" and, collectively, the "Clients" or the "Funds"). Although the Firm may recommend investing in any security or industry sector in the market in order to meet the investment objectives of its Clients, Gamma focuses on real estate and real estate-related investments. Interests in the Funds are generally offered to qualified investors through private offerings. Gamma is affiliated with entities that serve as general partners to each of the Funds (each, a "General Partner" and, collectively, the "General Partners"). The advisory services of Gamma and each of the General Partners, as affiliated investment advisors, are described in this Brochure. Each General Partner is deemed to be registered under the Investment Advisers Act of 1940, as amended (the "Advisers Act") pursuant to Gamma's registration in accordance with SEC guidance. The investment advisory services provided by Gamma shall also apply in respect of the General Partners.

The investment advice provided by the Firm to the Funds is generally to make opportunistic investments in real estate, with such real estate investments primarily in the United States. The Firm strives to directly or indirectly acquire, develop, manage and invest real property through (i) direct investment; (ii) mortgage financing, second lien, mezzanine financing or other unsecured financing; (iii) co-investment structures including and participation interest, syndication interest or joint-venture interest; and (iv) other securities or any other investment structure.

Gamma implements substantially a similar strategy for all of its Funds, Gamma may, from time to time, tailor its advisory services to the individual needs of a particular Fund, as necessary. Investment advice is provided directly to each Fund itself and not to the individual investors in the Funds.

C. Wrap Fee Programs

Gamma neither sponsors nor manages a wrap fee program.

D. Assets Under Management (“AUM”)

As of December 31st, 2015, Gamma managed approximately \$154,505,178 of Client assets on a discretionary basis.

Item 5 – Fees, Compensation and Termination of Services

A. Description of Compensation

The advisory fees charged by the Firm will typically take the form of a flat fee, as negotiated with each specific Client. Furthermore, under certain conditions and for certain Clients, the Firm charges an advisory fee based upon the assets under management in a Client account. This fee may vary from Client to Client and is generally calculated by multiplying the net equity value in an account on the last day of the calendar quarter by the relevant percent and dividing such product by four (4). The specific terms of such fee arrangements are set forth in the Fund's governing documents.

B. Payment of Fees

Fees payable to the Firm are payable monthly or quarterly but no less than annually as specified in the investment advisory agreement with each specific Client.

Advisory fees may be payable in advance or arrears, as specified in the investment advisory agreement with a specific Client. Such fees will be deducted from the Client's account and typically paid within ten (10) business days of the beginning of the next fee period, unless alternative payment arrangements are made by the Client and accepted in writing by the Firm.

The Client is typically entitled to a pro-rata refund of any prepaid fee based upon the number of days remaining in the fee period after their termination of the investment advisory agreement.

C. Other Fees

Clients will occasionally pay other fees or expenses associated with their account, but these fees will typically be paid by the Fund to the General Partner of each specific Fund.

The General Partner will then pay Gamma's fee from the aggregate fee received from the specific Fund for which they are the General Partner.

Fees and expenses paid by each specific Fund are outlined each of the Fund's governing documents.

D. Other Compensation

Neither Gamma nor any of its supervised persons accepts compensation for the sale of securities or other investment products, except as described in Item 5 of this Brochure.

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

The Firm will not collect any performance-based fees.

Item 7 – Types of Clients

The Firm provides investment advisory services primarily to private pooled investment vehicles whose investors generally consist of corporate and private pension plans, sovereign wealth funds, consultants, multi-family offices, single-family offices, high net-worth individuals, trusts, estates, and charitable organizations.

Typically, an initial commitment to a Fund must be at least \$25,000, as set forth in each of the Fund's offering documents; however, Gamma has the sole discretion to accept investments of a lesser amount.

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

A. Methods of Analysis and Investment Strategies

As described in Item 4 of this Brochure, the Firm strives to directly or indirectly acquire, develop, manage and invest real property through (i) direct investment; (ii) mortgage financing, second lien, mezzanine financing or other unsecured financing; (iii) co-investment structures including and participation interest, syndication interest or joint-venture interest; and (iv) other securities or any other investment structure.

To the extent a Client intends to use leverage to achieve its investment objectives, the Firm will advise the Client to use leverage prudently in an effort to avoid adding unnecessary risks to a given investment or portfolio of investments.

Despite the Firm's best efforts, there can be no assurance that Clients will achieve investment objectives, since investing in securities involves certain degrees of risk and loss that Clients should be prepared to bear.

B. Certain Risk Factors

All investments carry some amount of risk. The Funds to which Gamma provides investment advice may be subject to the some or all of the following principal investment risks:

Credit Risks – The risk that the portfolio could lose money if the issuer or guarantor of a fixed-income security, or the counter-party to a derivative contract, is unable or unwilling to meet its financial obligations.

Counter-Party Risks – A portfolio may incur a loss if the other party to an investment contract, such as a derivative, fails to fulfill its contractual obligation.

Currency Risks – The risk that foreign currencies will decline in value relative to the US dollar and affect a portfolio's investments in foreign (non-US) currencies or in securities that trade in, and receive revenues in, or in derivatives that provide exposure to, foreign (non-US) currencies.

Cyber Security Risks – The Firm's, the Funds' and their portfolio companies' information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, other security breaches and / or usage errors by their respective professionals. Although the Firm has implemented various measures to manage risks relating to these types of events, if these systems are compromised, become

inoperable for extended periods of time or cease to function properly, the Firm, a Fund and / or portfolio company may have to make a significant investment to fix or replace them.

Debt Securities Risks – The issuer of a debt security may fail to pay interest of principal when due, and changes in market interest rates may reduce the value of debt securities or reduce the portfolio's returns.

Derivatives Risks – The use of derivatives such as futures, options and swap agreements can lead to losses, including those magnified by leverage, particularly when derivatives are used to enhance return rather than offset risk.

Emerging-Markets Risk – Foreign investment risks are typically greater for securities in emerging markets, which can be more vulnerable to recessions, currency volatility, inflation and market failure.

Equity Risks – The risk that the value of equity securities, such as common stocks and preferred stocks, may decline due to general market conditions which are not specifically related to a particular company or to factors affecting a particular industry or industries. Equity securities generally have greater price volatility than fixed income securities.

ETF Risks – A portfolio will be exposed indirectly to all of the risks of securities held by an ETF.

Foreign Investment Risk – Foreign investments face the potential of heightened illiquidity, greater price volatility and adverse effects of political, regulatory, tax, currency, economic or other macroeconomic developments.

High-Yield Securities Risk – High-yield securities have a much greater risk of default or of not returning principal and tend to be more volatile than higher-rated securities of similar maturity.

Interest-Rate Risk – The risk that fixed income securities will decline in value because of an increase in interest rates.

Issuer Risk – The value of a security may decline because of adverse events or circumstances that directly relate to conditions at the issuer or any entity providing it credit or liquidity support.

Issuer Non-Diversification Risk – The risks of focusing investments in a small number of issuers, industries, or foreign currencies, including being more susceptible to risks

associated with a single economic, political or regulatory occurrence than a more diversified portfolio might be.

Leverage Risk – The risk that certain portfolio transactions may give rise to leverage, causing the portfolio to be more volatile than if it had not been leveraged.

Liquidity Risk – A security may not be able to be sold at the time desired or without adversely affecting the price.

Market Risk – The market price of securities held by a portfolio may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries.

Mortgage and Asset-Backed Securities Risk – These securities may decline in value when defaults on the underlying mortgage or assets occur and may exhibit additional volatility in periods of changing interest rates. When interest rates decline, the prepayment of mortgages or assets underlying such securities may require the reinvestment of money at lower prevailing interest rates, resulting in reduced returns.

Operational Risk – The Firm may be exposed to losses on account of operational risks. These could involve omissions or errors by either Firm personnel or its service providers. Examples of such risks include, but are not limited to trade errors, omissions of, or errors in filings, and errors in perfecting security or ownership interests.

Regulatory Risk – The risk that changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

Short Sale Risk – The risk of entering into short sales includes the potential loss of more money than the actual cost of the investment, and the risk that the third party to the shortsale may fail to honor its contract terms, causing a loss to a portfolio.

Item 9 – Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of Gamma or the integrity of Gamma's services.

A. Criminal or Civil Action

In the last ten (10) years, neither Gamma nor any of the Firm's related persons have been the subject of any criminal or civil proceedings.

B. Administrative Procedure

In the last ten (10) years, neither Gamma nor any of the Firm's related persons have been subject of any administrative proceedings before the SEC or any federal, state or foreign regulatory agency.

C. Self-Regulatory Organization

In the last ten (10) years, neither Gamma nor any of the Firm's related persons have been the subject of any proceedings before a self-regulatory organization.

Item 10 – Other Financial Industry Activities and Affiliations

A. Registration as a Broker-Dealer or Broker-Dealer Representative

Neither Gamma nor its related persons are registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B. Registration as a Futures Commission Merchant (FCM), Commodity Pool Operator (CPO) or a Commodity Trading Advisor (CTA)

Neither Gamma nor its related persons are registered as FCMs, CPOs and CTAs, or has an application pending to register as FCAs, CPOs or CTAs.

C. Registration Relationships Material to this Advisory Business and Conflicts of Interest

Gamma is affiliated with the General Partners each of which is deemed registered under the Advisers Act pursuant to Gamma's registration. Under SEC guidance, the SEC has deemed these affiliated investment advisors to operate, for registration purposes, as a single advisory business together with Gamma. The General Partners serve as general partners of the Funds and generally share with Gamma common owners, officers, partners or persons occupying similar positions.

D. Selection of Other Advisors of Managers and How This Advisor is Compensated for Those Selections

Neither Gamma nor its related persons use the services of any other investment advisor in the performance of its advisory duties.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

Gamma has adopted a Code of Ethics (the “Code”) for all employees (each a “Supervised Person”) of the Firm which describes its high standard of business conduct and fiduciary duty to its Clients. The Code includes policies regarding conflicts of interest, confidential information, personal investments and trading, gifts and entertainment, political contributions and employee conduct.

All employees at Gamma must evidence by signature, an acknowledgement, acceptance and understanding of the terms of the Code of Ethics, annually or as amended.

It is the Firm’s policy not to effect any principal securities transactions for Client accounts. Furthermore, the Firm will also refrain from effecting cross trades between Client accounts unless a Client wishes to liquidate a position and another Client is interested in purchasing the security.

Although the Firm does not anticipate the execution of agency cross trades, the Firm reserves the right to do so if Clients’ approval is obtained prior to execution.

Principal transactions are generally defined as transactions where an advisor, acting as a principal for its own account buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated private fund and another client account.

Gamma’s Clients or prospective Clients may request a copy of the Firm’s Code by contacting the Firm at 212-922-0222.

B. Recommendations Involving Material Financial Interest

Gamma anticipates that, in appropriate circumstances, consistent with Clients' investment objectives, it will cause accounts over which the Firm has management authority to effect, and will recommend to investment advisory Clients, the purchase or sale of securities in which Gamma, its related persons and/or Clients, directly or indirectly, have a management or advisory position or interest. This relationship presents a conflict of interest in that the Firm may purchase or recommend the purchase of securities based upon compensation the related person may receive rather than what is in the Client’s best interest. The Firm mitigates this conflict by ensuring that it evaluates each security on its merits and whether it is appropriate for the Fund and its underlying investors.

C. Investing in the Same Securities as Clients

Gamma's employees along with the Firm's related persons are required to follow Gamma's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Gamma and related persons may trade or invest for their own accounts in securities which are recommended to and/or purchased for the Firm's Clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of the Firm 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 on a determination that these would not materially interfere with the best interest of Gamma clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to Client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client in a security held by an employee.

Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Gamma and its clients.

D. Trading in the Same Securities as Clients' Securities

Please see the response to Item 8.C., "Investing in the Same Securities as Clients."

Item 12 – Brokerage Practices

A. Selecting Brokerage Firms

Gamma has full discretion on the types of investments to be made by the Funds subject to each of the Funds' investment strategy and purpose as set forth in the governing documents for each of the Funds respectively. Gamma generally does not make recommendations for investments by the Funds in public securities as most investments are in privately negotiated real estate-related transactions. Accordingly, Gamma does not frequently select or recommend broker-dealers for Client transactions. In the event that a broker-dealer is selected or recommended, Gamma employs a due diligence process to ensure that any such transaction is executed in the best interest of the Fund taking into account certain factors such as a broker's execution capability and trading expertise in addition to pricing.

1. Gamma does not have any soft dollar arrangements.
2. Gamma does not consider whether Gamma or a related person of Gamma receives Fund or investor referrals from a broker-dealer or third party because Gamma does not frequently select or recommend broker-dealers.
3. Gamma does not have directed brokerage dealings.

B. Aggregation for Multiple Client Accounts

Generally, aggregation of the purchase or sale of securities for various Fund accounts does not apply to Gamma as Gamma primarily invests in private real estate-related investments. See also Item 11 of this Brochure.

Item 13 – Review of Accounts

A. Periodic Reviews

Gamma's Chief Compliance Officer reviews all Client accounts on a quarterly basis, and in conducting such reviews may compare each investment to ensure that each transaction is: (i) suitable to the respective Client's investment objective; (ii) meets that Client's quality standards; and (iii) to make sure that their investment objectives are still pertinent to the managed account arrangement.

B. Factors that will Trigger Non-Periodic Reviews

More frequent reviews may be triggered by material changes in variables such as the real estate market, economic or political environment.

C. Reports Provided to Clients

It is not expected that the Firm will provide any reports to its Clients. It is expected that all reports, including those outlining the performance of the Fund, will be provided by the General Partner of the specific Fund.

Item 14 – Client Referrals and Other Compensation

A. Third-Party Compensation

Neither Gamma nor its employees receive any economic benefit from any persons who are not actual Clients receiving investment advice.

B. Referrals

The Firm does not have any referral agreements with third-parties, whereby the Firm shares a percentage of its advisory fees or other revenue it receives from business activities as a result of such a referral.

Item 15 – Custody

With respect to the management of investments for the Funds, Gamma or the General Partners may have, or may be deemed to have, custody of certain monies or securities of the Funds. Rule 206(4)-2, under the Advisers Act (the “Custody Rule”), imposes specific conditions on Gamma as a registered investment advisor with respect to those securities and other assets that fall under the purview of the Custody Rule and are held by the Funds. Gamma adheres to the applicable requirements of the Custody Rule with respect to each Fund for which it or an affiliate serves as general partner. All Fund securities and other assets that fall under the purview of the Custody Rule are held with at least one qualified custodian to the extent required by the Custody Rule. In addition, Gamma delivers to all investors (or other beneficial owners) in each of the Funds an audited financial statement for their Fund, with a written opinion of an independent public accountant, in accordance with generally accepted accounting principles, on an annual basis and within 120 days of each Fund’s fiscal year end.

Item 16 – Investment Discretion

The Firm typically receives discretionary authority from its Clients at the outset of an advisory relationship. This discretionary authority allows Gamma to select which securities are to be purchased, sold or exchanged and the timing and price(s) of such transactions on behalf of a Client's account.

When selecting securities and assets for each of the Funds, Gamma observes the investment policies, limitations and restrictions set forth in the governing documents of such Funds.

Item 17 – Voting Client Securities

Gamma does not take any action or render any advice with respect to voting of proxies solicited by, or with respect to, the issuers of any securities held within Client accounts.

Item 18 – Financial Information

A. Balance Sheet

Gamma does not require, nor does it solicit, prepayment of investment advisory fees six months or more in advance. Therefore, the Advisor is not required to include a balance sheet with this brochure.

B. Financial Conditions

Neither Gamma nor its management have any financial conditions that are likely to impair the advisor's ability to meet its contractual commitments to clients.

C. Bankruptcy Petitions

Gamma has not been the subject of a bankruptcy petition within the last ten (10) years.