

Item 1 – Cover Page

Reciprocal Capital

80 Broad Street, 5th Floor

New York, NY 10004

Telephone: 917-288-3834

www.reciprocalcapital.com

Part 2A of Form ADV: Firm Brochure

Dated: September 22, 2022

This brochure provides information about the qualifications and business practices of Reciprocal Capital. If you have any questions about the contents of this brochure, please contact us at (917) 288-3834 or by email at michael.alfano@reciprocalcapital.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.

Being a “registered investment adviser” or describing ourselves as being “registered” does not imply a certain level of skill or training.

Additional information about Reciprocal Capital also is available on the SEC’s website at www.adviserinfo.sec.gov.

THIS BROCHURE DOES NOT CONSTITUTE AN OFFER TO SELL OR SOLICITATION OF AN OFFER TO BUY ANY SECURITY.

Item 2 – Material Changes

We may provide you with updates or other disclosure information periodically during the year in the event of any material changes to our business.

There have been no material changes to our business since our previous filing, dated March 23, 2022. However, we have amended “Item 15 – Custody” below as Reciprocal Capital is deemed to have custody of the assets of Reciprocal Capital Holdings LLC due to Reciprocal Capital’s affiliation with the general partner of the fund.

You may request the most recent version of this brochure by contacting Michael Alfano, Managing Partner at (917) 288-3834 or michael.alfano@reciprocalcapital.com. You may also obtain a copy by going to the SEC’s website at www.adviserinfo.sec.gov.

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Item 4 – Advisory Business

A. The Firm: Reciprocal Capital

Alfacap LLC d/b/a Reciprocal Capital (“**Reciprocal Capital**,” “**us**,” or “**we**”) is a New York, limited liability company formed on August 24, 2014 and is wholly-owned by Michael B. Alfano.

B. Advisory Services Offered

Reciprocal Capital provides investment advice to institutional asset managers, alternative asset managers, corporations, and family offices. Reciprocal Capital through research and analysis will identify private secondary opportunities. Once a potential opportunity is identified, Reciprocal Capital presents the opportunity to its clients or potential clients (together, “Client”). If the Client determines the investment is suitable, the Client and Reciprocal Capital execute an agreement with respect to the proposed transaction. The Client and Reciprocal under the same terms, individually in their own capacity, will complete the transaction. Reciprocal Capital will provide on-going due diligence and monitoring, and will provide investment advice to the Client relating to the transaction/investment. In some situations, as part of the transaction, Reciprocal Capital may participate or serve on the Advisory Board.

Please See Item 7 (Types of Clients), and Item 8 (Methods of Analysis, Investment Strategies and Risk of Loss)

C. Tailored Advice and Investment Restrictions

Reciprocal Capital identifies private secondary opportunities and provides its clients with investment advice related thereto. In most instances, Reciprocal Capital does not have discretion, trading authority, or power of attorney for client accounts. In those instances where Reciprocal Capital does have discretion, trading authority, or power of attorney for a client account, such authority is restricted to a narrow set of allowed activities dictated by such client in relation to the execution and management of a specific transaction. In either instance, clients have sole discretion to determine whether or not a transaction is suitable.

D. Wrap Fee Program

Not Applicable

E. Assets Under Management

As of December 31, 2021, Reciprocal Capital has six clients and has \$166,405,458 in regulatory assets under management (“RAUM”)

Item 5 – Fees and Compensation

Clients generally will have fee arrangements that differ depending upon the issuer or transaction type. Our standard fee schedules are set forth below. These fee schedules are negotiable and may vary on a per client basis. All management and performance fees will be billed to clients directly.

Management Fee

Clients will be billed directly a management fee, typically 60 basis points per annum on investor's aggregate capital commitments to a Transaction (defined as the entire purchase price paid by the investor, including any and all deferred payments, plus all unfunded obligations assumed by the investor in connection with the transaction) for three years, paid to Reciprocal Capital commencing with a closing of a Transaction.

Performance Fee

Additionally, we will charge a performance fee, which will be applied to the client's aggregate capital commitments to the Transaction. The performance fee will be calculated using a "European Waterfall calculation" over the whole deal.

The standard calculation is outlined below in Tier 1 and Tier 2. The standard Preferred Return is 8% cumulative.

Tier 1:	Performance fee of 5% of net investor gains will be paid to Reciprocal Capital once the Preferred Return has been achieved in relation to the client's entire contributions to the Transaction; and
Tier 2:	An additional performance fee of 10% of net investor gains paid will be paid to Reciprocal Capital once investors has received 1.5 times their entire contributions to the Transaction.

Additional Expenses

Our fees are exclusive of brokerage commissions, transaction fees, custodial fees, and other related costs and expenses, all of which are incurred by the client.

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

As noted in Item 5 above, all client accounts will pay us certain performance-based fees. All performance-based income is calculated and paid in accordance with Section 205 and Rule 205-3 under the Investment Advisers Act of 1940.

Because all clients pay performance-based fees, we generally believe that we do not face conflicts related to the side-by-side management of accounts which do pay performance-based

fees along with accounts that do not. However, we recognize that conflicts related to side-by-side management may exist for other reasons.

To address these conflicts, our policies and procedures seek to provide that investment advice/decisions are made without consideration of our pecuniary interests, and instead are made in accordance with our fiduciary duties to all Client accounts.

Clients should be aware that our receipt of performance fees may incentivize us to make investments that are riskier or more speculative than we would make if we did not receive performance fees. In addition, the advice/strategies we use for certain clients could conflict with the transactions and strategies we employ in managing other clients.

Clients should understand the performance-based fee method of compensation and risk prior to entering in an agreement with us.

Item 7 – Types of Clients

As noted in Item 4 above, we advise accounts for institutional asset managers, alternative asset managers, corporations and family offices. Due to the nature of the investments, there is generally no minimum dollar value for establishing an advisory account. However, clients generally need to have significant funds to make recommended investments. As such, clients are generally defined as qualified purchasers, as defined under Section 2(a)(51) of the Investment Company Act of 1940.

Termination provisions for advisory contracts for client accounts are situational and subject to negotiation.

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

Outlined below are certain risk factors that clients should consider before entering into an agreement with Reciprocal Capital or making an investment on the basis of Reciprocal Capital's advice.

Methods of Analysis and Investment Strategies

We employ a wide range of investment analysis and strategies, which include, but are not limited to:

Engaging directly with General Partners, intermediaries and other secondary buyers to access and evaluate strategic secondary transactions. We prepare bottoms-up, asset-by-asset analysis of each transaction and provide our investors with direct, real-time analytical guidance and due diligence feedback.

Certain Risk Factors

Reciprocal Capital's intended investment strategy involves a substantial risk of loss of capital. All investment programs possess certain risks of loss that clients should be prepared to bear. The foregoing contains certain of the material risks involved in Reciprocal Capital's investment strategies and does not purport to be complete. Clients should carefully review the

applicable disclosure documents and understand all the risks prior to making an investment in a transaction Reciprocal Capital has advised on.

Market Risk

The profitability of a significant portion of Reciprocal Capital's investment program depends to a great extent upon correctly assessing the future course of valuation movements and liquidation of securities and other investments. There can be no assurance that Reciprocal Capital will be able to accurately predict these valuation movements and liquidity events. Although we will attempt to mitigate market risk through the use of certain methods, there is always some, and occasionally a significant, degree of market risk.

Nature of Investments

Reciprocal Capital provides investment advice with respect to certain investments. Investments will generally consist of private secondary opportunities and other assets that may be affected by business, financial market or legal uncertainties. Some of the risks involved in Reciprocal Capital's investment strategy include, without limitation, the following:

- There can be no assurance that Reciprocal Capital will correctly evaluate the nature and magnitude of the various factors that could affect the value of and return on investments;
- Valuations of investments may be volatile, and a variety of factors that are inherently difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of Reciprocal Capital's investment advice and the value of the investments upon which it has advised;
- There may be competition with respect to identifying, completing and realizing investments;
- Follow-on investments in certain portfolio companies may be required, and the ability of an underlying investment vehicle to make or not make such investments could have a negative impact on the company;
- The ability of an underlying investment vehicle to achieve successful and profitable exits of its investments may at times be impaired;
- Investments may often times be based on financial projections, and there is no assurance that such projected results will be achieved;
- Portfolio company performance may deteriorate due to adverse market conditions (see above);
- General financial and economic conditions may impair our ability to successfully execute our investment strategies;
- Investments may be highly illiquid and may be very difficult to liquidate and value; and
- Clients may utilize leverage, which involves a high degree of risk.

Reciprocal Capital makes no guarantee or representation that its investment objectives will be achieved.

Other Related Conflicts:

Please see Items 4 (Advisory Business), 5 (Fees and Compensation), 8 (Methods of Analysis, Investment Strategies and Risk of Loss), and 11 (Code of Ethics, Participation in Client Transactions and Personal Trading)

Item 9 – Disciplinary Information

Form ADV Part 2 requires investment advisers such as Reciprocal Capital to disclose legal or disciplinary events involving the firm or our partners, officers, or principals that are material to your evaluation of our advisory business or the integrity of our management. At this time, we have no information to report that is applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

A. Broker Dealer Registration

Michael B. Alfano, Reciprocal Capital's sole owner and employee, is a registered representative of a FINRA and SEC registered broker-dealer, Vigilant Distributors, LLC formerly known as Herald Investment Marketing, LLC.

B. Commodities Registration

Neither Reciprocal Capital nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, a commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities

C. Related Persons

Neither Reciprocal Capital nor any of its management persons have any relationship or arrangement with a related person that would create a material conflict of interest with clients.

D. Other Investment Advisers

Reciprocal Capital does not recommend or select other investment advisers for its clients, and it does not have other business relationships with those advisers that create a material conflict of interest.

E. Consulting Activities

Neither Reciprocal Capital nor any of its management persons are currently engaged in compensated consulting activities.

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

Code of Ethics and Personal Trading.

We strive to adhere to the highest industry standards of conduct based on principles of professionalism, integrity, honesty and trust, and we have adopted a Code of Ethics (the “Code”) to help us meet these standards. The Code incorporates the following principles:

- Reciprocal Capital and its personnel must at all times place the interest of our clients first. All personal securities transactions must be conducted in a manner consistent with the Code and avoid any actual or potential conflicts of interest or any abuse of an employee’s position of trust and responsibility.
- Employees must not take any inappropriate advantage of their positions at Reciprocal Capital. Independence in the process of making investment recommendations must be maintained at all times.
- Employees are prohibited from utilizing material non-public information in a personal or professional capacity.

More specifically, the Code of Ethics provides that covered persons must:

1. Comply with all applicable laws and regulations;
2. On an annual and quarterly basis, disclose to our Chief Compliance Officer all holdings in “covered securities,” including:
 - a. Debt and equity securities;
 - b. Options on securities, on indices, and on currencies;
 - c. All forms of limited partnership and limited liability company interests, including interests in private investment funds (such as hedge funds), and interests in investment clubs; and
 - d. ETFs.
3. Receive pre-clearance from our Chief Compliance Officer (or his designee) for transactions in covered securities (with limited exceptions).

Clients and prospective clients may receive a copy of the Code by contacting us at (917) 288-3834 or by email at michael.alfano@reciprocalcapital.com

Participation or Interest in Client Transactions.

From time to time, Reciprocal Capital and its key employees are provided the opportunity to co-invest in investments that Reciprocal Capital recommends to its advisory clients; provided,

however, that (i) neither Reciprocal Capital nor its employees will make any investment which would prevent an advisory client from investing in all or a portion of the investment opportunity, if desired by the client, (ii) employees will invest on the same terms and conditions as the advisory clients, (iii) Reciprocal Capital will invest on the same terms and conditions as the advisory clients except for differences in special services provided for in client investment agreements, and (iv) all terms and conditions of Reciprocal Capital and employee co-investments are fully disclosed to the participating or eligible advisory clients.

Other Related Conflicts and Practices:

Gifts and Entertainment. Certain counterparties, service providers and other third parties with whom we do business occasionally provide gifts and entertainment to our principals and employees. We and our affiliates may enter into business transactions and relationships on behalf of a Client with the donors of such gifts and entertainment. Such gifts and entertainment create a conflict of interest in our selection and retention of these donors as service providers for Clients.

To address this conflict, we have adopted policies and procedures to:

1. Monitor gifts and entertainment given and received by our principals and employees; and
2. Limit the value of gifts and entertainment given and received.

We also have policies and procedures in place to help us monitor, and limit, the political contributions that our principals and employees make to public officials and candidates for elected office in accordance with the requirements of Rule 206(4)-5 under the Investment Advisers Act of 1940.

Item 12 – Brokerage Practices

General Brokerage Practices

Due to the nature of the transactions we recommend, a brokerage firm is not required to effectuate transactions. Accordingly, we do not utilize brokerage firms to effectuate transactions in client accounts.

Research and Other Soft Dollar Benefits

Reciprocal Capital does not engage in any “soft dollar” practices.

Item 13 – Review of Accounts

While Reciprocal Capital entrusts the day-to-day operations of its underlying investment vehicles and their underlying portfolio companies to the fund manager and the portfolio company executive management teams, respectively, Reciprocal Capital actively monitors each investment to ensure alignment and accountability. Reciprocal Capital strives to build highly collaborative and tight-knit relationships with the fund managers of the underlying investment

vehicles in which our clients invest; we believe these close relationships are conducive to the investment monitoring process. Working closely with a fund manager allows us to be better able to identify potential problems and opportunities as they emerge, and to then work closely with the fund manager to develop constructive strategies.

Reciprocal Capital tracks an underlying investment vehicle's or portfolio company's performance against its strategic, operational, and financial objectives. Typically, Reciprocal Capital receives an underlying investment vehicle's or portfolio company's detailed financial and operational information on a quarterly basis. However, the type of reporting and monitoring of investment may vary from deal to deal. All Reciprocal Capital clients receive reporting as negotiated by the clients and Reciprocal Capital. In addition, some of the members of Reciprocal Capital may participate on an underlying investment vehicle's Advisory Board.

Item 14 – Client Referrals and Other Compensation

Reciprocal Capital does not engage solicitors or pay related or non-related persons for referring potential clients to our firm.

In addition, we do not accept or allow our related persons to accept any form of compensation, including, cash, sales awards, or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 – Custody

Custody occurs when the Adviser or related person directly or indirectly holds client funds or securities, or has the ability to gain possession of them. Reciprocal Capital is deemed to have custody of the assets of Reciprocal Capital Holdings LLC (the "Fund") within the meaning of the Advisers Act due to its affiliation with the general partner or similar operator of the Fund. The Fund is a privately offered limited partnership and is subject to an annual audit by a Public Company Accounting Oversight Board ("PCAOB") registered and inspected independent accounting firm in accordance with Rule 206(4)-2 under the Advisers Act. The audited financial statements of the Fund are prepared in accordance with generally accepted accounting principles ("GAAP") and distributed to Fund investors within 120 days of the Fund's fiscal year end as required by the Advisers Act. Fund investors are urged to review these audited financial statements carefully. Upon the final liquidation of the Fund, Reciprocal Capital will obtain a final audit and distribute audited financial statements prepared in accordance with GAAP to all investors promptly after completion of the audit.

Item 16 – Investment Discretion

Reciprocal Capital provides investment advice on either a discretionary or a non-discretionary basis. For more information, please see Item 4 (Advisory Business).

Item 17 – Voting Client Securities

Reciprocal Capital does not provide investment advisory services with respect to voting securities. Accordingly, we do not vote proxies on behalf of clients or offer advisory services to clients regarding proxy issues.

Item 18 – Financial Information

Form ADV Part 2 requires us to disclose any financial condition reasonably likely to impair our ability to meet contractual commitments to clients. At this time, we have no information to report that is applicable to this item.

In addition, we do not require or solicit payment of fees in excess of \$1,200 per client more than six months in advance for services rendered. Therefore, we are not required to include a financial statement in this brochure.

Item 19 – Requirements for State-Registered Advisers

Not Applicable

Michael B. Alfano

Reciprocal Capital

Address: **80 Broad Street, 5th Floor**
New York, NY 10004

Telephone: **917-288-3834**

Email: **michael.alfano@reciprocalcapital.com**

Part 2B of Form ADV: Brochure Supplement — **September 22, 2022**

Item 1 – Cover Page

This brochure supplement provides information about Michael B. Alfano that supplements the Form ADV Part 2A brochure. You should have received a copy of that brochure. Please contact Michael Alfano at 917-288-3834 if you did not receive Michael Alfano's brochure or if you have any questions about the contents of this supplement.

Item 2 – Educational Background and Business Experience

Born: November 27, 1976

Education: Dual Bachelor of Arts, Engineering and Economics, Organizational Behavior and Management - 1999

Business Experience:	Analyst, Technology	Vice President, BancBoston Capital -
	Investment Banking- Deutsche	2001-2005
	Bank - 1999-2001	
	Principal, Rostam Capital -	Principal, Collier Capital - 2008-2013
	2006-2007	
	Executive Director, LGT	Managing Partner, Reciprocal Capital -
	Capital Partners - 2013-2014	2015-Present

Item 3 – Disciplinary Information

Form ADV Part 2 requires us to provide information regarding any legal or disciplinary events involving the person identified in this brochure supplement that may be material to your evaluation of the person. At this time, there is no information to report that is applicable to this Item.

Item 4 – Other Business Activities

Form ADV Part 2 requires us to provide information regarding other business activities of the person identified in this brochure supplement if (1) they involve investment-related businesses and occupations, or (2) they provide a substantial source of income for the individual or involve a substantial amount of time the person's time.

Michael B. Alfano, Reciprocal Capital's sole owner and employee, is a registered representative of a FINRA and SEC registered broker-dealer, Vigilant Distributors, LLC f/k/a Herald Investment Marketing, LLC.

Item 5 – Additional Compensation

Form ADV Part 2 requires us to disclose whether the person identified this brochure supplement receives special compensation (in addition to normal salary and bonuses), such as bonuses based on the number or amount of sales, client referrals, or new accounts. At this time, there is no information to report that is applicable to this Item.

Item 6 – Supervision

Michael Alfano is the founder and Managing Member of Reciprocal Capital, and therefore is not subject to normal hierarchical supervision. However, Michael Alfano acts as the Chief Compliance Officer and ensures compliance with relevant regulatory requirements.