

**Item 1. Cover Page**

**Closed Loop Partners, LLC**

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Part 2A of Form ADV: Firm Brochure  
March 2023

This Brochure provides information about the qualifications and business practices of Closed Loop Partners, LLC (“CLP” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Chief Compliance Officer at 914-560-6790. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about Closed Loop Partners, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Closed Loop Partners, LLC’s CRD number is 307079.

An investment adviser's registration with the SEC does not imply a certain level of skill or training.

**Item 2. Material Changes**

This document represents an update to CLP's most recent Other Than Annual Amendment Firm Brochure filing in August 2022. The Firm launched the Circular Services SPV LLC and Mori CLV SPV LLC. There have been no other material changes to the Firm that require reporting in this Item.

### **Item 3. Table of Contents**

<b>Item 1. Cover Page .....</b>	<b>1</b>
<b>Item 2. Material Changes .....</b>	<b>2</b>
<b>Item 3. Table of Contents.....</b>	<b>3</b>
<b>Item 4. Advisory Fee Business .....</b>	<b>4</b>
<b>Item 5. Fees and Compensation.....</b>	<b>6</b>
<b>Item 6. Performance-Based Fees and Side-by-Side Management.....</b>	<b>7</b>
<b>Item 7. Types of Clients .....</b>	<b>8</b>
<b>Item 8. Methods of Analysis, Investment Strategies and Risk of Loss .....</b>	<b>8</b>
<b>Item 9. Disciplinary Information.....</b>	<b>12</b>
<b>Item 10. Other Financial Industry Activities and Affiliations .....</b>	<b>12</b>
<b>Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....</b>	<b>13</b>
<b>Item 12. Brokerage Practices.....</b>	<b>14</b>
<b>Item 13. Review of Accounts.....</b>	<b>15</b>
<b>Item 14. Client Referrals and Other Compensation.....</b>	<b>15</b>
<b>Item 15. Custody .....</b>	<b>16</b>
<b>Item 16. Investment Discretion.....</b>	<b>17</b>
<b>Item 17. Voting Client Services .....</b>	<b>17</b>
<b>Item 18. Financial Information .....</b>	<b>17</b>
<b>Item 19. Requirements of State-Registered Advisers .....</b>	<b>17</b>

#### **Item 4. Advisory Fee Business**

##### *Description of Advisory Firm and Principal Owners.*

Closed Loop Partners, LLC (the “Firm” or “CLP”), based in New York, NY, was formed in 2016 by Ron Gonen and Rob Kaplan. In 2018, Mr. Kaplan resigned from CLP and sold the entirety of his stake in the Firm. Currently Mr. Gonen owns 85% of CLP through direct ownership and his 100% ownership of EMERGECLF Inc., with the remainder held by two passive investors.

The Firm focuses on building the circular economy. CLP is reimagining the current linear system in which billions of dollars are spent annually to landfill valuable commodities, to create circular supply chains that reduce costs, generate revenue, and protect our environment.

CLP provides investment advisory services for the investment of private capital in pooled investment vehicles including venture capital, private equity and credit funds (“CLP Funds”) that are exempt from registration under the Investment Company Act of 1940, as amended (the “1940 Act”) and whose securities are not registered under the Securities Act of 1933, as amended (the “Securities Act”).

The Firm’s advisory clients are the CLP Funds. The CLP Funds are limited partnerships, Special Purpose Vehicle and Co-Investment Vehicles formed in Delaware, and affiliates of CLP serve as the General Partners. The limited partners of CLP Funds are either accredited or qualified investors, depending on the fund. Limited partners of the CLP Funds are referred to in this Firm Brochure as “investors” or “limited partners”.

Mr. Gonen, Co-Founder and CEO of CLP, was previously the Deputy Commissioner of Sanitation in New York City in the Bloomberg Administration. He oversaw the City’s recycling program and public policy related to the program. From 2003 to 2010 Mr. Gonen was Co-Founder and CEO of RecycleBank and started his professional career with Deloitte Consulting. He was a Henry Catto Fellow at the Aspen Institute and past term member of the Council on Foreign Relations. Mr. Gonen received his MBA from Columbia Business School.

The CLP senior investment team consists of former CEOs, CFOs, fund managers and senior executives of government agencies with an average of 20+ years of operational and investment experience. In addition to the full-time investment professionals of the Firm, CLP engages the services of certain industry professionals who serve as Operating Partners, Advisors or as part of the CLP’s Investment Committee. These professionals assist with sourcing and evaluating new transactions, as well as providing strategic insights related to portfolio company and other investment matters.

##### *Type of Advisory Services.*

CLP provides investment advisory services to the CLP Funds, which encompass the following strategies:

**Private Equity Buyout.** The Private Equity strategy makes control investments in middle-market, cash flow positive companies that own and operate circular economy supply chain infrastructure or related companies in North America.

**Growth Equity.** Growth Equity is presently represented by an investment strategy specifically focused on the Fashion industry, making growth stage investments in proven business models across material science, AR/VR solutions design and commerce, supply chain transparency technology and waste recapture capabilities. The portfolio targets investment in high-growth companies across North America and Europe, presenting innovative B2B solutions poised to bridge the sustainability gap for global Fashion brands.

**Venture Capital.** The Venture Capital strategy makes early stage investments in companies around the globe that offer sustainable supply chain solutions, advanced material design, use recycled content, or employ circular business models. Selected companies are believed to be transformational in their supply chain impact and are targeted to generate revenue at a high growth rate. Investments are targeted to take advantage of undervalued points in each company's lifecycle for firms solving supply chain inefficiencies, operating in transformational markets and incorporating strong environmental impact tied to each unit sold/service provided.

**Credit.** The Credit strategy provides no cost or low cost debt financing and related assistance to projects designed to improve recycling rates, increase demand for products made from recycled content, and create new markets for recycled material for which the Firm has concluded in good faith that conventional sources of funding are unavailable. The strategy will provide such financing to municipalities and private companies in North America in order to improve their efficiency or expand their production capacity.

**Catalytic Debt and Hybrid Investments.** The Catalytic Debt and Hybrid Investments strategy makes investments in organizations increasing the quality and quantity of recycled polyethylene (PE) and polypropylene (PP). The Fund's focus on these two resins and on flexible plastics is deemed critical to ensuring that the industry's demand for recycled material will be met. The Fund will use blended capital structures and a mix of financing instruments to fill gaps and spur mainstream capital to businesses and innovations that keep materials in play.

#### *Client Tailored Service and Client Imposed Restrictions.*

The Firm's services are designed to achieve the investment objective of each of the CLP Funds. CLP will only make investment recommendations that are consistent with the stated objectives, strategy and investment guidelines of the particular CLP Fund as set forth in the applicable CLP Fund's private placement memorandum, limited partnership agreements and applicable side letters with limited partners, if any.

#### *Wrap Fee Programs.*

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. CLP does not participate in any wrap fee programs.

#### *Regulatory Assets under Management ("RAUM").*

As of December 31, 2022, CLP managed approximately \$448 million of private Fund client assets, all of which are managed on a discretionary basis.

The RAUM includes the estimated fair market value of the assets, cash on hand, and remaining capital commitments of the CLP Funds as of December 31, 2022.

## **Item 5. Fees and Compensation**

### *Description of Compensation.*

The Firm charges investment advisory fees (“Management Fees”) to the CLP Funds in consideration for its investment advisory services. Management Fees are typically payable quarterly in advance. Management Fees are based on capital committed to the particular CLP Fund during its investment period. Subsequent to the investment period, the Management Fee is based on the invested capital within the particular CLP Fund. The amounts of and the terms applicable to Management Fees may vary by CLP Fund and are set forth in the governing documents of each CLP Fund. Management Fees paid by the CLP Funds are indirectly borne by the investors in the CLP Funds.

In addition, as described in *Item 6 - Performance-Based Fees and Side-by-Side Management*, CLP or its affiliates have the potential to earn performance-based compensation from certain of the CLP Funds in the form of a carried interest in profits.

Further, pursuant to the governing documents of each CLP Fund, the applicable General Partner, in its discretion, may elect to offer one or more of the limited partners of any of the CLP Funds the opportunity to co-invest alongside the private Fund client with respect to a particular investment. Management Fees and/or carried interest that may be received by CLP or its affiliates in connection with co-investment opportunities will be determined on a deal-by-deal basis.

### *Payment of Fees.*

Management fees, if any, are paid quarterly in advance by the CLP Funds. The CLP Funds draw capital from their limited partners in order to pay the CLP management fees. This capital reduces their limited partners’ unfunded capital. Prior to each payment of management fees, each limited partner in the CLP Fund is sent a capital draw down notice that shows the limited partner’s share of the management fee. Once the limited partner pays the amount stated in the capital draw down notice, the CLP Fund’s General Partner authorizes and makes payment of the management fee, if any, to CLP. The calculation of the management fee payable is disclosed to the limited partners in the CLP Fund’s financial statements.

### *Other Fees and Expenses.*

Certain of the Funds’ General Partner, General Manager or affiliates of the foregoing may receive fees directly from potential CLP Fund investments for services rendered. One hundred percent (100%) of any such fees, whether in cash or in kind, received by any of the foregoing would offset on a dollar-for-dollar basis the amount of the management fee due from the CLP Fund, with such offset carried forward until exhausted. For one Fund eighty percent (80%) of excess reimbursed broken deal expenses serve as management fee offsets.

Each CLP Fund is responsible for paying its own costs, expenses and liabilities that are incurred or arise out of the business and operations of the particular CLP Fund. Such costs, expenses and liabilities include but are not limited to: reasonable fees and expenses relating to the evaluation, acquisition, holding and disposition of any investment or potential transaction, insurance, custody, legal, accounting, auditing, consulting, valuation, appraisal, technology, litigation and indemnification costs; taxes, filing and other fees or other governmental charges.

The Firm is responsible for paying its own normal operating overhead expenses, including employee salaries, rent and other expenses incurred in maintaining its place of business (“CLP Overhead”). CLP will be reimbursed for all expenses paid for or on behalf of the CLP Funds except for CLP Overhead.

*Payment of Fees in Advance.*

CLP receives Management Fee payments quarterly in advance from the CLP Funds. To the extent that the management agreement is terminated or the CLP Fund is dissolved, the Firm will return any unearned fees or unused fee offsets, if any, as required under the terms of the CLP Fund’s limited partnership agreement.

**Item 6. Performance-Based Fees and Side-by-Side Management**

The General Partners of certain of the CLP Funds may be entitled to a “carried interest,” a share of the profits generated by certain CLP Funds. Because of CLP’s relationship with the General Partners of the CLP Funds, the carried interest may be considered performance-based compensation that benefits the Firm. Carried interest payments, if any, are paid pursuant to the CLP Fund’s limited partnership agreement. Carried interest payments generally are calculated as a percentage of the gain earned by the CLP Fund from a portfolio investment after paying expenses and returning limited partner capital plus a preferred return on limited partner capital. Carried interest fees are separately determined for each CLP Fund, and are outlined in each particular Fund’s offering documents.

Carried interest payments are governed by the limited partnership agreement for the particular CLP Fund, and are in part dependent upon the valuations of the CLP Fund’s portfolio investments, as a whole and individually. The limited partnership agreements govern how securities are to be valued and the valuations of private securities are prepared in conformity with US Generally Accepted Accounting Principles. However, since there is no readily available market pricing for private securities, the valuation methodologies employed involve a significant degree of judgment by the CLP Fund General Partner and estimated fair values may differ significantly from the values that would have been used had readily available market pricing existed for such investments. Since carried interest distributions are dependent in part on valuations of portfolio investments that have not been sold, this could create an incentive for the CLP Fund General Partner to use higher valuations. However, this risk is somewhat mitigated because carried interest is only paid on realized investments and there is an obligation by recipients of carried interest payments to return any excess carried interest distributions if actual returns upon final disposition is less than prior valuations.

Additionally, the carried interest could give the Firm or the CLP Funds' General Partners an incentive to make more speculative investments or take more risk than otherwise would be the case. However, this conflict is mitigated by adherence to the CLP Fund's investment guidelines and potential that risk of loss would impact the CLP Fund's performance and carried interest calculation.

## **Item 7. Types of Clients**

The Firm provides investment advice and portfolio management services to the CLP Funds. The CLP Funds are related to the Firm because there is majority common ownership and control between CLP and the General Partners of the CLP Funds. All of the current CLP Funds are closed-end investment partnerships that do not accept additional capital after a stated offering period or offer redemption rights or periodic liquidity to limited partners. Capital committed by limited partners to the CLP Funds is drawn down and contributed over time to purchase portfolio investments or pay expenses, including CLP fees. The majority of capital held by the CLP Funds' limited partners is attributable to corporate investors; institutional investors, including pension plans and insurance companies; other pooled investment vehicles; and family offices/high net worth individuals. CLP may, in the future, manage separate advisory accounts for individual or institutional accounts, as well as provide co-investment opportunities to limited partners directly in a CLP portfolio investment. With respect to co-investment opportunities, each investor makes an independent decision on whether to invest. Once the initial investment is made, the asset is held until sold or otherwise disposed. As such, since the investor does not receive continuous and regular supervisory or management services, such co-investors are not deemed to be clients.

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

### *Method of Analysis.*

The CLP investment professionals conduct a significant amount of due diligence prior to making an investment and spend a tremendous amount of time determining which investments to pursue. Prospective investments are evaluated not only for their current future financial performance and capital structure but also for their projected future capital structure and possible cash flow profile. In addition, the CLP team evaluates the companies' business models' suitability for the market pain they are addressing, the capability of the management team, product feedback of customers (where available), potential environmental impact, exit opportunities, and investment deal terms that would permit an attractive investment for the respective CLP Fund.

### *Risk of loss.*

CLP Funds seek investment opportunities that offer the possibility of attaining substantial capital appreciation but also involve risk of loss. There can be no possibility of profit without risk of loss. Investing in securities involves a risk of loss that investors should be prepared to bear. Certain events particular to each industry in which a particular CLP Fund invests, as well as general economic and political conditions, may have a significant negative impact on the investment's operations and profitability. Such events are beyond CLP's control, and the likelihood that they may occur cannot be predicted. Furthermore, investments are made in private companies and loans for which there are generally no public markets for these securities. The ability of the CLP Funds



to liquidate these investments and realize value is subject to significant limitations and uncertainties. Past or projected performance of CLP investments is not necessarily indicative of future results, and there can be no assurance that projected returns or comparable results will be achieved. Risks specific to each CLP Fund are identified in the CLP Funds' offering documents which are provided to each investor prior to making an investment decision.

Some of the risk factors that apply generally to the CLP Funds and their investors are summarized below:

*Lack of Liquidity; Restrictions on Transfer and Withdrawal.*

The CLP Funds typically invest in private companies and loans that cannot be readily sold. As a result, there most likely will be little or no near-term cash flow available to investors. Consequently, investment in the CLP Funds by investors requires a long-term commitment, with no certainty of return. The investors' interests in the CLP Funds generally are not registered under any federal or state securities laws and are not freely transferable. There is no public market for the interests, and none is expected to develop. In addition, the interests are not transferable except with the consent of the CLP Fund's respective General Partners, which it generally may withhold in its sole discretion. Limited partners generally may not withdraw capital from the CLP Funds. Consequently, limited partners may not be able to liquidate their investments prior to the end of the CLP Funds' term.

*Competitive Market for Investment Opportunities.*

The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty. There can be no assurance that the Firm will be able to locate and complete investments which satisfy the investment objectives of the CLP Funds or fully invest the committed capital of the CLP Funds. Competition for such investment opportunities could come from other financial investors, and other asset managers and owners. These competitors may have financial, geographic, or strategic advantages that may reduce CLP's competitiveness and potentially materially and adversely affect its ability to successfully conclude transactions.

*Small and Medium Size Companies.*

The Firm mainly focuses its investment strategies on small and medium-sized companies. Investments in such companies, may present greater opportunities for growth, and may also involve greater risks than are customarily associated with investments in large companies. The profitability and survival of portfolio companies may depend on their ability to access sufficient sources of appropriate financing at attractive rates, which may or may not be available at any particular time. Portfolio companies also may face intense competition, changing business or economic conditions or other developments that may adversely impact their performance. Further, there is ordinarily a more limited marketplace for the sale of interests in smaller, private companies, which may make realizations of gains more difficult by requiring sales to other private investors. In addition, the relative illiquidity of small- and medium-sized companies could make it difficult for the CLP Funds to react quickly to negative economic or political developments. Lastly, such companies may be new or relatively small participants in their respective industries

and may face intense competition from larger companies and entail a greater risk than investment in larger companies.

#### *Financial and Business Risk of Portfolio Companies.*

Investments in portfolio companies made by the CLP Funds involve a significant degree of financial and/or business risk. The CLP Funds may invest in companies that are believed to be operating below their potential. Some companies, particularly early-stage start-ups, may have inexperienced management teams or lack management depth.

#### *Reliance on Management of Portfolio Companies.*

Although CLP will monitor the performance of portfolio companies, the performance of these companies depends substantially on their management teams on a day-to-day basis. Consequently, the value of CLP Funds' investment in a portfolio company will be affected significantly by the efforts and decisions of operating management teams.

#### *Reliance on Management of CLP.*

The success of the CLP Funds will depend in part on the ability of the Firm to improve the operating performance of portfolio companies and to dispose of investment of CLP Funds in a manner that maximizes profit. The loss of the services of one or more members of the professional staff of CLP providing services to CLP Funds, the portfolio companies or companies in which they invest or related entities could have an adverse impact on the CLP Funds' ability to realize favorable investment results.

#### *Follow-on Investments.*

Following the initial commitment to a portfolio investment, the CLP Funds may be called upon to provide additional funds or have the opportunity to increase their investment in such company or to fund additional investments through such company. There is no assurance that the CLP Funds will make follow-on investments or that the CLP Funds will have sufficient funds to make all such investments. Any decision not to make follow-on investments or CLP Funds' inability to make them may have substantial negative impact on the portfolio investment in need of such investment. In addition, to the extent that the portfolio investment obtains capital funding through other sources, the CLP Funds' investment may suffer dilution.

#### *Certain Regulatory Considerations.*

The CLP Funds expect to make investments in a number of different industries, some of which are or may become subject to regulation by one or more US federal agencies and by various agencies of the states, localities and counties in which they operate. New and existing regulations, changing regulatory schemes, and the burdens of regulatory compliance all may have a material negative impact on the performance of portfolio companies which operate in these industries.

### *Use of Leverage.*

Some of the CLP Fund's investments will be portfolio companies whose capital structures include leverage. Although the CLP Funds' General Partners will seek to use leverage in a prudent manner, the leveraged capital structure of such portfolio companies increases the risk of adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the portfolio company or its industry. Leveraged investments are inherently more sensitive to declines in revenues and to increases in expenses. If a portfolio company defaults on secured indebtedness, the lender may foreclose and the CLP Fund – if taking an equity position in such company - could lose its entire investment in such portfolio company.

### *General Economic Conditions.*

General economic conditions may affect the CLP Funds' activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by a CLP Fund or considered for prospective investment. The current global economic and political climate is one of uncertainty. A climate of uncertainty may reduce the availability of potential investment opportunities and increase the difficulty of modeling market conditions, reducing the accuracy of financial projections. Furthermore, such uncertainty may have an adverse effect upon the portfolio companies in which the CLP Funds make investments.

### *Conflicts of Interest.*

Due to the relationship between the Firm and the General Partners of the CLP Funds, there may be occasions in which CLP and such General Partners will encounter potential conflicts of interest in connection with the CLP Funds. These potential conflicts of interest are discussed in Item 5: Fees and Compensation and Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading. In addition, while Closed Loop Partners endeavors to have distinct sector or asset class differentiation among Funds that are actively investing at any given time, new investment opportunities may arise from time to time that are suitable for more than one Fund. Additionally, investment proceeds extended by one Fund in a portfolio company could be used by that portfolio company to purchase products or services of one or more other portfolio companies of one or more other Funds. Conflict resolution criteria for co-investments, follow on investments, sale of investments and use of debt are identified in the Closed Loop Partners, LLC Investment Allocation and Conflict of Interest Resolution Policy and in the offering or governing documents of certain CLP Funds.

### *Risks of Specific Securities Utilized.*

Risks specific to each CLP Fund are described more fully in the particular CLP Fund's offering materials, including any private placement memorandum, limited partnership agreement and subscription materials.

### *Cybersecurity Risk*

The CLP Funds, CLP, the General Partner, and third-party service providers are all subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes and practices designed to protect networks, systems, computers, programs and

data from both intentional cyber-attacks and hacking by other computer users as well as unintentional damage or interruption that can result in damage or interruption from computer viruses, network failures, computer and telecommunications failures, infiltration by unauthorized persons, and security breaches and usage errors by their respective professionals.

A cybersecurity breach could expose the CLP Funds, CLP, and the General Partner to substantial costs (including, without limitation, those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity services, identity theft, unauthorized access to and use of proprietary information, litigation, the dissemination of confidential and proprietary information, and reputational damage), civil liability, and regulatory inquiry and/or action. While the Firm has established a business continuity plan and cybersecurity policy including risk management strategies, systems, and policies and procedures to seek to prevent cybersecurity breaches, there are inherent limitations in such plans, strategies, systems, and policies and procedures including the possibility that certain risks have not been identified. In addition, since CLP does not directly control the cybersecurity systems of third-party service providers, there can be no assurance that the cybersecurity practices of these providers will protect the Funds, the Firm, or the General Partner from any potential breaches.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that each investor should be prepared to bear.**

#### *Concentration of Credit Risk*

The CLP Funds maintain cash and cash equivalents at four major financial institutions. Bank balances may, from time to time, exceed the Federal Deposit Insurance Corporation insurance limits. The Funds are subject to credit risk to the extent that a financial institution may be unable to fulfill its obligation to retain the Funds' cash and cash equivalents held at the financial institution.

#### **Item 9. Disciplinary Information**

There are no legal or disciplinary matters that would be material to a client's or prospective client's evaluation of CLP's advisory business or integrity of the Firm's management team.

#### **Item 10. Other Financial Industry Activities and Affiliations**

##### *Registration as a Broker/Dealer or Broker/Dealer Representative.*

Neither CLP nor its employees are registered as a broker/dealer or representatives of a broker/dealer.

*Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.*

Neither CLP nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

*Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests.*

Certain officers, members and managers of CLP are also officers, members and managers of the CLP Funds' General Partners. These relationships present potential conflicts of interest. The Firm always strives to exercise its good faith judgment in the best interests of the CLP Funds and their limited partners and consistently with its fiduciary duties. In addition, most of the CLP Funds establish an Advisory Committee comprised of representatives of limited partners of the CLP Fund. The Firm often consults with the Advisory Committee on matters involving a CLP Fund when a conflict of interest may arise.

*Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections.*

CLP does not utilize nor select other advisers or third-party managers.

## **Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

*Code of Ethics.*

The Firm has adopted a written Code of Ethics which applies to all of its directors, officers, employees, and any person who enters into a significant consulting or other similar relationship with CLP that is not specifically exempted ("Covered Persons"). The Firm's Code of Ethics requires Covered Persons to serve the best interests of its clients in compliance with its status as a fiduciary, to comply with applicable federal securities laws and to report any violations of the Code of Ethics promptly to the Chief Compliance Officer. CLP's Code of Ethics includes insider trading policies and procedures. Among other things, each Covered Person must pre-clear certain personal securities transactions and must also provide copies of trade confirmations and periodic account statements, annual securities holdings reports and quarterly securities transactions reports. Employees are prohibited from purchasing securities listed as "restricted securities," and are not permitted to acquire securities in an initial public offering or private placement without prior approval. Additionally, the Firm prohibits any employee from acting upon, misusing or disclosing any material non-public information regarding a public company, or a company about to become public. A full copy of the CLP Code of Ethics policy is available to investors upon request

*Recommendations Involving Material Financial Interests.*

CLP advises CLP Funds regarding its investments. The Firm, its affiliates and members of its team may have material financial interests in each CLP Fund that generally aligns their interests with limited partners. CLP maintains an interest in a portfolio company, Home Biogas, Inc. in which a

CLP Fund has an investment. Where conflicts may arise, procedures are in place to identify and mitigate the conflict as well as promote the interests of the CLP Fund. Personal financial interests owned by Firm professionals may create the potential for conflicts of interest. As such, employees are required to submit a report of their personal security transactions to the Firm's Chief Compliance Officer on a quarterly basis.

Although CLP Funds generally do not invest in publicly traded securities, at times Firm investment professionals or other employees may become aware of non-public information with respect to certain public companies in the course of our business. To avoid any impropriety or appearance of impropriety, the Chief Compliance Officer maintains a list of "restricted securities" that CLP deems to present the potential for a conflict and our employees are prohibited from trading in such restricted securities.

*Investments in Securities Recommended by the Investment Adviser.*

CLP, its affiliates and/or their respective personnel may have a direct or indirect financial interest in the securities and other assets purchased and sold by an investor, including as a result of co-investment and/or carried interest arrangements. These arrangements are intended to align the interests of CLP's personnel with the third-party investors of the private Fund.

*Purchases of Securities by the Investment Adviser and the private. Fund investors at the Same Time.*

To the extent the Firm or any related person acquires a direct or indirect interest in the securities and other assets of a private Fund investor through a co-investment, such persons will acquire and dispose of their interests in such securities and other assets at the same time and on the same terms as the private Fund investor, except as otherwise disclosed in the governing documents of the private Fund.

## **Item 12. Brokerage Practices**

*Selection of Broker/Dealers.*

CLP makes private investments and as such provides advice with respect to private securities, not publicly traded securities. Therefore, the Firm generally does not transact business through broker-dealers. If CLP needed to select a broker-dealer, it would evaluate and select a broker-dealer based on its prominence in the financial services industry and our ability to obtain the best price and execution for our clients.

*Research and Other Soft-Dollar Benefits.*

CLP does not participate in soft dollar arrangements.

*Brokerage for Client Referrals.*

The Firm does not receive referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### *Clients Directing Which Broker/Dealer/Custodian to Use.*

The CLP Funds do not require the use of a specific broker-dealer to execute transactions. If needed, CLP would evaluate and choose a broker based on the best interests of its clients.

## **Item 13. Review of Accounts**

### *Monitoring of Accounts.*

The Firm's investment staff is responsible for reviewing and monitoring each CLP Fund's investments on an ongoing basis. The investment staff includes CLP's partners and investment professionals in investment analysis, research, asset management, capital markets and asset disposition. The investment staff is responsible for identifying, evaluating, structuring and negotiating investments, overseeing the ongoing management of the investments and for management or oversight of financings, recapitalizations and dispositions. Additionally, the investment valuations and financial statements of the CLP Funds are reviewed at least quarterly by the finance team and the Chief Financial Officer. Finally, the CLP Funds are periodically reviewed to ensure that investments are consistent with investment guidelines and risk tolerance levels.

### *B. Review Triggers.*

The Firm monitors each CLP Fund investor's performance and investments on an ongoing basis.

### *C. Reports to Clients.*

Reports are prepared and furnished to investors in the CLP Funds in accordance with the governing documents of the particular Fund. Generally, each investor in a CLP Fund is furnished (1) on a quarterly basis, unaudited financial statements and summary information with respect to each CLP Fund in which the investor is invested, and (2) on an annual basis, audited financial statements, summary information with respect to each CLP Fund in which the investor is invested, and information to enable such investor to complete its U.S. federal income tax return with respect to such investor's investment in the CLP Funds.

## **Item 14. Client Referrals and Other Compensation**

### *Economic Benefits Provided by Third Parties for Advice Rendered to Clients.*

CLP does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to the CLP Funds. However, certain of the Funds' General Partner, General Manager or affiliates of the foregoing may receive fees directly from potential CLP Fund investments for services rendered. One hundred percent (100%) of any fees, whether in cash or in kind, received by any of the foregoing would offset on a dollar-for-dollar basis the amount of the management fee due from the Fund, with such offset carried forward until exhausted. See Item 5 above.

### *Compensation to Non-Advisory Personnel for Client Referrals.*

The Firm or a Firm affiliate may periodically enter into placement agreements with unaffiliated third-party placement agents to facilitate fundraising efforts related to particular CLP Funds. Such agreements will be with U.S. broker-dealers that are registered with the SEC and are members of FINRA, and provide for compensation to the placement agent that is generally based on a percentage of commitments received by the CLP Fund. These agreements will be disclosed in the CLP Funds' private placement memorandum as well as Form ADV Part 1, which is on file with the SEC.

All agreements with broker dealers must be reviewed by the CCO and will be entered into in accordance with the Investment Advisers Act Marketing Rule, including the following:

- (i) a description of the solicitation activities and the related compensation, and
- (ii) confirmation that the solicitor will act in accordance with the CLP's instructions and the requirements of the Advisers Act and rules thereunder.

CLP must clearly and prominently disclose, or reasonably believe that the solicitor discloses, at the time of the solicitation, whether the solicitor is a client or private fund investor, a description of the compensation provided or to be provided, directly or indirectly, to the solicitor and a description of the "material" conflicts of interest on the part of the solicitor resulting from the adviser's relationship with such person and any compensation arrangement.

If cash compensation is provided to a broker dealer, the amount must be identified. If the compensation takes the form of a percentage of the total advisory fee over a period of time, the percentage and time period must be disclosed. For non-cash compensation, if the value of the non-cash compensation is readily ascertainable, this amount must be disclosed.

Under no circumstances will a Fund investor pay any additional management or performance-based fee, as a result of being referred by a broker dealer, as compared with any other Fund investor that was not referred by a broker dealer.

### **Item 15. Custody**

The Firm or a Firm affiliate may have, or may be deemed to have, custody (within the meaning of Rule 206(4)-2 under the Advisers Act) of certain of the funds and securities of the CLP Funds' investors. In order to satisfy the Custody Rule for all of its Funds, CLP will ensure it operates in accordance with the requirements of Rule 206(4)-2. In addition to ensuring Fund assets and securities are held with a qualified custodian to the extent required by the Advisers Act, the Firm will follow one of two paths:

- (a) notify clients that CLP has engaged a qualified custodian on behalf of the Fund and its investors, send account statements directly to Fund investors, and obtain a surprise examination of Fund assets on an annual basis from an independent public accountant; or



- (b) obtain an annual audit of the Fund's financial statements by an independent public accounting firm that is registered with and subject to regular inspections by the PCAOB, distribute the audited financial statements prepared in accordance with GAAP to each investor in the Fund within 120 days of the Fund's fiscal year-end and upon liquidation of the Fund perform a liquidation audit and distribute the related financial statements to investors promptly upon completion of such audit.

#### **Item 16. Investment Discretion**

The Firm does not maintain discretionary authority over the CLP Fund accounts. The CLP Funds' General Partners have discretionary authority to make investment determinations on behalf of the CLP Funds.

#### **Item 17. Voting Client Services**

If and when such voting practices occur, it is the Firm's policy to cast all proxy votes in the best interests of the CLP Funds and its limited partners and in a manner consistent with the investment objectives of the CLP Fund. A copy of our proxy voting policy is available to investors upon request.

#### **Item 18. Financial Information**

CLP does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to private Fund clients, and it has not been the subject of a bankruptcy petition at any time during the past ten years.

#### **Item 19. Requirements of State-Registered Advisers**

Not applicable.