



CNL Strategic Capital

Sub-managed by **Levine Leichtman**

OVERVIEW BROCHURE

Private Capital: A Unique Approach to Private Equity

This is not an offer to sell nor a solicitation of an offer to buy shares of CNL Strategic Capital. Only the prospectus makes such an offer. This piece must be read in conjunction with the prospectus in order to understand fully all the objectives, risks, charges and expenses associated with an investment and must not be relied upon to make a decision.

This brochure is not for use in MD, NJ or OH.



CNL®



RISK FACTORS

- **Offering Risk.** An investment in CNL Strategic Capital, LLC is considered speculative and involves a high degree of risk, including the loss of all or a substantial amount of your investment. CNL Strategic Capital's offering is on a best-efforts basis. There is no guarantee that CNL Strategic Capital will raise sufficient funds; therefore, it may not be able to acquire targeted assets, which reduces diversification and increases the potential of volatility.
- **Investment Objective Risk.** There is no assurance the investment strategy or objectives of CNL Strategic Capital will be achieved. Inability to invest the net offering proceeds on acceptable terms, consistent with the business strategy and within the time frame contemplated by the offering may exist. CNL Strategic Capital may face risks with respect to the evaluation and management of future acquisitions.
- **Undue Reliance on Managers or Past Performance.** CNL Strategic Capital Management, LLC is acting as the manager. The sub-manager is Levine Leichtman Strategic Capital, LLC, an affiliate of Levine Leichtman Capital Partners, LLC (LLCP). Each managing entity is an investment adviser registered with the U.S. Securities and Exchange Commission. Investors should not rely on the past performance of the managers and their respective affiliates as an indication of future performance. CNL Strategic Capital is a different investment vehicle with fees and risks dissimilar to the managers' other funds and this is the first time the managers have partnered together.
- **Conflicts of Interest Risk.** CNL Strategic Capital's managers and their respective affiliates face conflicts of interest, including those that result from compensation arrangements and allocations of business opportunities. See the prospectus for details. CNL Strategic Capital pays substantial fees and expenses to the manager, the sub-manager, the managing dealer or their respective affiliates. These payments increase the risk that investors will not earn a profit on their investment. Co-investing with other investment groups will increase the risk that third parties may make decisions with which CNL Strategic Capital does not fully agree. In certain cases, CNL Strategic Capital will invest alongside the sub-manager's affiliates. CNL Strategic Capital will not purchase these businesses unless a majority of the independent directors determines the transaction is fair and reasonable.
- **Inability to make Distributions Risk.** Distributions are not guaranteed in frequency or amount. Distributions paid are not solely based upon performance. Distributions may be funded from multiple sources, including, but not limited to, offering proceeds, borrowings, net investment income and expense waivers. Distributions that are not derived from net income produced by performance may not be sustainable and may dilute investors. Subject to certain conditions being met, CNL Strategic Capital is obligated to repay expense support to the managers over several years, which would reduce future income available for distributions.
- **Use of Leverage Risk.** CNL Strategic Capital's strategy is to use leverage in an amount not to exceed 35% of its gross assets; however, CNL Strategic Capital may exceed the 35% at any time, if approved by a majority of its independent directors. Separate from the fund's leverage, certain businesses in its portfolio may have third-party debt. The use of leverage and its limits is subject to change.
- **Liquidity Risk.** An investment in CNL Strategic Capital is illiquid. Shares sold in this offering will not be listed on an exchange or quoted through a quotation system for the foreseeable future, if ever. If investors are able to sell their shares, they will likely receive less than their purchase price. The share repurchase program has numerous restrictions and offers redemptions up to 2.5% of CNL Strategic Capital's aggregate NAV per calendar quarter and up to 10% of the aggregate net asset value for the prior four quarters. The board of directors may suspend or modify the program at any time; however, it cannot be terminated absent a liquidity event or unless otherwise required by law.
- **Past performance is not indicative of future results.**
- An investment in CNL Strategic Capital does not provide investors with a direct ownership interest in the underlying businesses.
- This is not an offer to sell nor a solicitation of an offer to purchase the securities described herein. Only the prospectus makes such an offer. This material should be read in conjunction with the prospectus in order to fully understand the investment objectives, risks and charges associated with an investment.
- This offering is not suitable for everyone; investors are expected to meet the minimum financial suitability standards. CNL Strategic Capital is not a short-term investment.
- CNL Strategic Capital, LLC is a unique direct participation program, taxed as a partnership.
- Managing dealer of CNL Strategic Capital is CNL Securities Corp., member FINRA/SIPC. CNL Securities and its associates cannot provide investment advice for any individual or any individual situation and are not acting in a fiduciary capacity. Contact your financial professional to learn more about CNL product offerings and how they may complement and help diversify your portfolio. Investments should be chosen based on your individual objectives, risk tolerance and goals.
- Neither the U.S. Securities and Exchange Commission, the Attorney General of the State of New York nor any other state regulator has passed on or endorsed the merits of this offering. Any representation to the contrary is unlawful.
- Forward-looking statements are based on current expectations and may be identified by words such as *believes*, *anticipates*, *expects*, *may*, *will*, *continues*, *could*, *targeted* and terms of similar substance, and speak only as of the date made. Actual results could differ materially due to risks and uncertainties that are beyond the offering's ability to control or accurately predict. Investors and financial professionals should not place undue reliance on any forward-looking statements. CNL Strategic Capital undertakes no obligation to publicly update or revise any forward-looking statements.
- This information is not tax or legal advice. Investors should discuss the tax risks associated with this offering with their personal tax professional.

DATASET INFORMATION

- The State Street Global Exchange Private Equity Index (GXPEI) is comprised of 2,800 unique private equity partnerships, representing approximately \$2.7 trillion in capital commitments. The dataset includes Buyouts (mega, large, mid-size and small), Venture Capital (early, balanced and late stage) and Private Debt (distressed, mezzanine and special lendings). The GXPEI represents institutional investing.
- The S&P 500 Index focuses on the large-cap sector of the public equity market in the United States.
- The Financial Times Stock Exchange (FTSE) Nareit All Equity real estate investment trust (REIT) Index is a free-float adjusted, market capitalization-weighted index of U.S. equity traded REITs only. Constituents of the index include all tax-qualified REITs with more than 50% of total assets in qualifying real estate assets. Nontraded REITs are not included in this index.
- The Bloomberg U.S. Aggregate Bond Index measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid adjustable-rate mortgage pass-throughs), asset-backed securities and commercial mortgage-backed securities (agency and non agency).
- U.S. Small Cap Stocks is represented by the Russell 2000 Total Return Index, which is a subset of the Russell 3000®, Index representing approximately 10 percent of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.
- Investments cannot be made directly into an index.
- Source: State Street Index and Bloomberg Index Services Limited. BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively "Bloomberg"). Bloomberg or Bloomberg's licensors own all proprietary rights in the Bloomberg Indices. Bloomberg does not approve or endorse this material or guarantee the accuracy or completeness of any information herein, nor does Bloomberg make any warranty, express or implied, as to the results to be obtained therefrom, and, to the maximum extent allowed by law, Bloomberg shall not have any liability or responsibility for injury or damages arising in connection therewith.

GENERAL NOTICES

- Broker-dealers and investment advisors are reminded that CNL Strategic Capital's communications must be accompanied or preceded by a prospectus.



CNL Strategic Capital

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Changes in the Public Markets are Having an Effect on Your Investment Portfolio



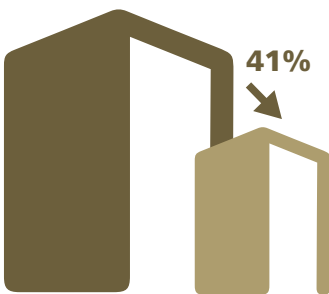
Market Cycles are Unpredictable

All bull markets end and give way to a bear market. In January 2022, the U.S. market began to fall into bear territory, which has been a longer-than-average one. The strategies that worked in the past might not help you accomplish your goals in the future.



Volatility is Here to Stay

Inflation, geopolitical conflicts and the effects of government policy, among other factors, have created headwinds for the U.S. financial markets.



Fewer Public Investment Options

In 1996, the number of public companies peaked at more than 8,000; today, there are approximately 41% fewer.¹ This can cause meaningful concentration risk and limit your access to businesses during potentially high-growth years.²

¹ "Listed Domestic Companies, Total," World Federation of Exchanges, 2021.

² Nancy Tengler, "Companies are staying private longer, should you invest pre-IPO?," [usatoday.com](https://www.usatoday.com/story/money/2020/09/27/companies-staying-private-longer-should-you-invest-pre-ipo/5771170002/), Sept. 27, 2020.

With these substantial changes in public markets, most investors are more challenged than ever to:



Achieve meaningful returns outside the publicly traded markets.



Find investments that are somewhat insulated from economic cycles.



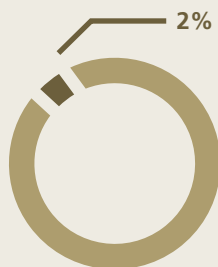
Diversify portfolios outside of the publicly traded markets.



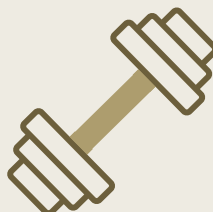
Reduce portfolio volatility.

The private markets may offer an opportunity to address these challenges but have traditionally been unavailable to you...

DID YOU KNOW:



Less than 2% of middle-market companies are publicly traded.³



Traditional private equity has seen strong performance over the last 15 years.⁴



Private companies can be less volatile than publicly traded markets.⁵



On average, a larger share of growth and value creation accrues to private owners as companies stay private longer.²

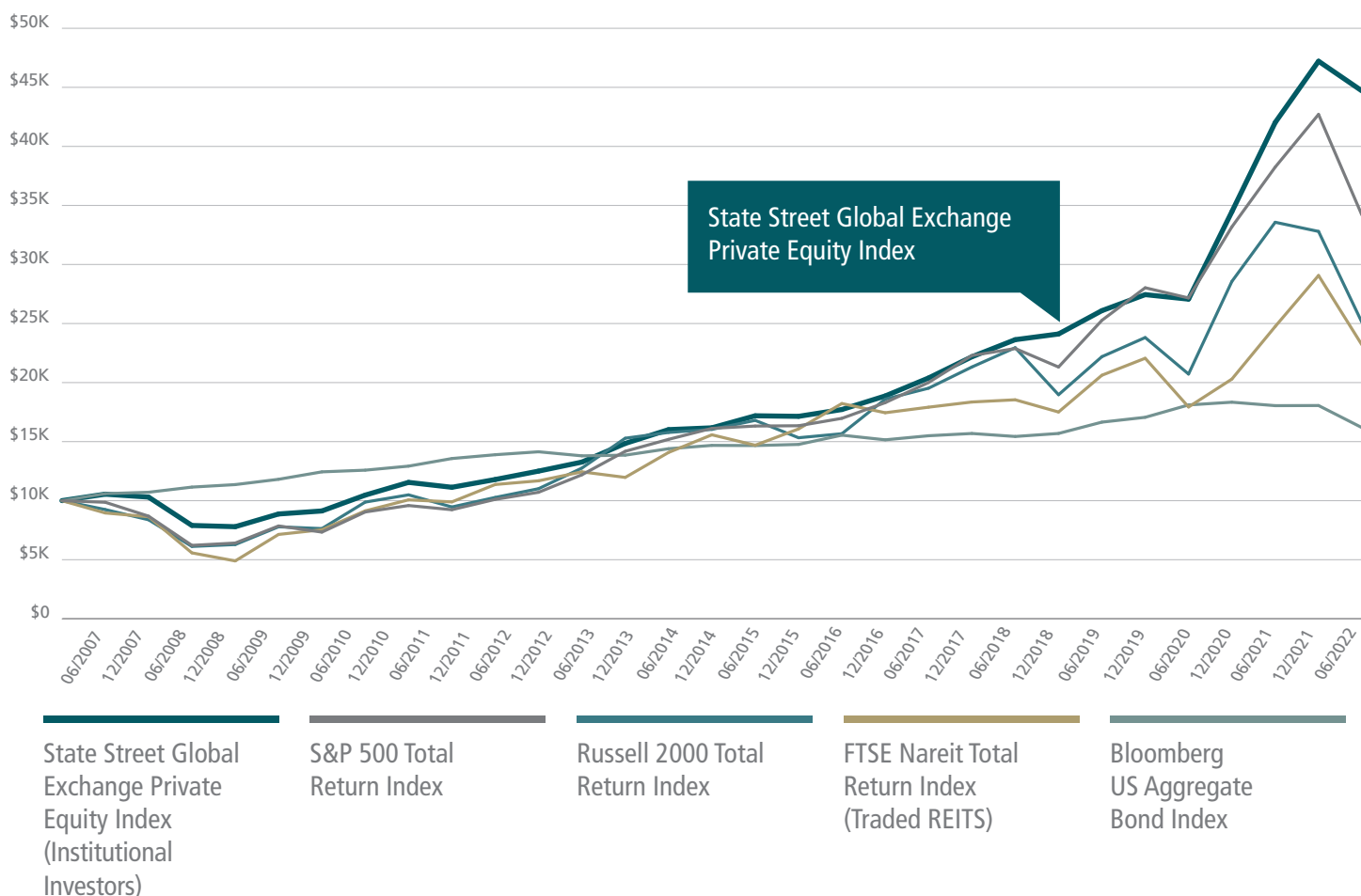
³ "Public companies with revenues of \$15m-\$250m," Dun & Bradstreet. "Private companies with revenues of \$15m-\$250m," Dun & Bradstreet, data as of July 19, 2022.

⁴ June 2007-June 2022.

⁵ Non-traded investments are not valued as frequently or with the accuracy of market pricing, which impacts volatility measures. Asset valuations will be estimates of fair value and do not represent the amount an investor would receive now or at any time in the future.

Historical Index Performance

GROWTH OF \$10,000



Examining historical returns has shown that through good times and in bad, the State Street GX Private Equity Index has outperformed other indices.

For illustrative purposes only and is not intended to represent the results of an actual investment.

The private equity index shown consists of institutional buyout funds, venture capital, and private debt, which may be highly leveraged and has high credit risk. The State Street Index above is not a proxy for the private equity asset class. This index displays only a fraction of the global private equity transactions. The benchmark indices are not investments, but inform on macro market trends. Past performance is not indicative of future results.

Indices do not address investment costs. You cannot invest directly in an index. There are significant differences between public and private equities, which include, but are not limited to, the following: public equities can provide liquidity and greater access to company information and private equities have a longer time horizon and are considered illiquid. Data represents a variety of broad-based and recognizable indices and is intended to show performance in different asset classes. Risk/reward profile for each asset class varies significantly. SOURCE: Bloomberg, as of June 30, 2022. This is the most current data available as the State Street Index data lags. (Refer to dataset for additional information.)

What if you had a way to invest in high-quality, growing private companies?

The potential for competitive returns by accessing private companies has been traditionally reserved for institutional investors and high-net-worth individuals.⁶

Today, CNL Strategic Capital provides access to a unique private equity strategy for individual investors: private capital.



CNL Strategic Capital is:

A company that seeks to own high-quality and durable private U.S. companies, providing your investment portfolio with the potential for growth, monthly income and diversity outside of the publicly traded financial markets.⁷



CNL Strategic Capital is NOT a:

Publicly traded Investment
Real Estate Investment Trust (REIT)
Business Development Company (BDC)
Mutual Fund
Traditional Private Equity Fund
Fund of Funds

This investment is considered speculative, has substantial costs, and differs from traditional private equity.

There is no assurance that these objectives will be met.

⁶ Institutional investors invest with strategies, terms and conditions different from those of individual investors, who typically have a shorter investment time horizon, possess lower risk capacity, greater liquidity needs, and pay higher fees and expenses for retail offerings.

⁷ CNL Strategic Capital has substantial costs, which will reduce investor returns; however, certain share classes have lower fees. Distributions paid are not solely based upon performance. Distributions are not guaranteed in frequency or amount. Distributions will be paid from net investment income, offering proceeds, borrowings or reimbursable expense support; the latter three will reduce future cash available for distributions and be dilutive to future shareholders. This offering can be considered speculative and it is not suitable for all investors.

Highly Selective Investment Criteria

CNL Strategic Capital intends to acquire high-quality private companies that align with strict investment criteria and partner with those companies to build enduring value:



High-quality,
middle-market
businesses



Consistent
cash flows



Growing businesses
and industries



More insulated from
economic downturns



Strong financial
profiles



Established and
durable brands



High margins
and limited capital
expenditures



Proprietary products
or services



Management team with
vested interest in the
success of the business



Established market
leaders with competitive
advantage

There is no assurance the stated objectives will be met.

CNL Strategic Capital may pursue acquisition opportunities that do not meet the criteria stated above. A substantial portion of CNL Strategic Capital's assets may be invested in a limited number of businesses.

Portfolio Highlights

Lawn Doctor

A leading franchisor of lawn care services with a great brand name, 55 years of experience

Total system-wide sales for the trailing twelve months ended Sept. 30, 2022, was approximately \$197M

Operates a nationwide network of independently owned franchise units in 39 states

37% franchise growth in 10 years
(Top 500 Franchisee Opportunity by *Entrepreneur Magazine* for 40 years)



Initial Total Invested
Capital by
CNL Strategic Capital

\$45.5M

Clarion Safety Systems

30+ years providing standards-based visual safety labels and signs that support original equipment manufacturers, facility owners and employers to reduce risk and protect workers

Revenue has grown at an approximately 7.5% compound annual growth rate from the year ended Dec. 31, 2010, to the trailing twelve months ended Sept. 30, 2022

Serves thousands of customers worldwide in large and diverse industries

Provides adequate warning labels and signs required by OSHA and other industry bodies, thus allowing for a durable business model



Initial Total Invested
Capital by
CNL Strategic Capital

\$69.3M

Vektek Holdings

45+ years of experience as a designer, engineer and manufacturer of automated workholding solutions for Computer Numerical Control machining

A market leader differentiated by its innovative hydraulic clamping solutions, technical expertise and domestic production

Products serve a large installed base, are low cost and a minimal component of customers' engineering spend

Grew revenue at an approximately 4.5% compound annual growth rate from the year ended Dec. 31, 2006, to Dec. 31, 2021



Initial Total Invested
Capital by
CNL Strategic Capital

\$81.3M

As of Sept. 30, 2022, unless otherwise stated. CNL Strategic Capital's acquisition dates were Feb. 7, 2018, Dec. 9, 2021, and May 6, 2022. Certain figures represent historical financial information prior to acquisition. Past performance is not indicative of future results. Information subject to change.

CNL Strategic Capital seeks to provide access to a nearly 40-year institutional investment strategy:⁸



Potential for meaningful returns not subject to public market sentiment



Intends to provide monthly income⁹



Targets companies that may be somewhat insulated from economic cycles

CNL Strategic Capital can have substantial costs which will negatively impact returns. There is no assurance the investment objectives will be met. This offering can be considered speculative and it is not suitable for all investors.

⁸ CNL Strategic Capital is the first offering where CNL and LLCPL have managed an investment portfolio together. CNL Strategic Capital will be dependent on the managers' performance, and their past performance is not indicative of future returns.

⁹ Distributions paid are not solely based upon performance. Distributions are not guaranteed in frequency or amount. Distributions will be paid from net investment income, offering proceeds, borrowings or reimbursable expense support; the latter three will reduce future cash available for distributions and be dilutive to future shareholders.

Experienced Management

CNL Strategic Capital is managed by two experienced investment management firms:



CNL FINANCIAL GROUP

50 years of experience

Formed or acquired companies with more than \$34B in assets

Pioneer in the Democratization of Investing®



LEVINE LEICHTMAN CAPITAL PARTNERS

Nearly 40 years of experience

Managed approximately \$13.1B since inception

Global network of more than 175 institutional investors

To learn more, investors are encouraged to contact their financial professional. Financial professionals should contact the managing dealer, CNL Securities, member FINRA/SIPC, at 866-650-0650 or visit cnlstrategiccapital.com.

As of Sept. 30, 2022, CNL Strategic Capital is managed by CNL Strategic Capital Management, LLC and sub-managed by Levine Leichtman Strategic Capital, LLC, which are affiliates of CNL Financial Group and Levine Leichtman Capital Partners, respectively. Each managing entity is an investment adviser registered with the U.S. Securities and Exchange Commission. The performance of CNL Strategic Capital may not replicate the success of these entities.

Institutional investors invest with strategies, terms and conditions different from those of individual investors, who typically have a shorter investment time horizon, possess lower risk capacity, greater liquidity needs, and pay higher fees and expenses for retail offerings.

CNL and its associates cannot provide investment advice for any individual or any individual situation and are not acting in a fiduciary capacity. Contact your financial professional to learn more about CNL product offerings and how they may complement and help diversify your portfolio. Investments should be chosen based on your individual objectives, risk tolerance and goals.

This is the first public offering where CNL and LLC have managed an investment portfolio together.

This investment is not suitable for all investors.

OFFERING DETAILS

Unique Investment Structure	A limited liability company, regulated as a direct participation program, taxed as a partnership
Maximum Offering Size	Up to \$1.1 billion
Minimum Investment	\$5,000
Investor Profile	Individual and institutional investors
Share Pricing Frequency ¹⁰	Monthly
Published NAV	Monthly
Share Subscription Procedure	Monthly escrow sweep
Geographic Focus	Primarily in the United States
Investment Objective ¹¹	Long-term appreciation with current income, while protecting invested capital
Distributions ¹¹	Declared and paid monthly. Sources of funds for distribution varies.
Limited Share Repurchase Program ¹²	Quarterly share repurchase program is based on net asset value. There will be numerous restrictions that limit an investor's ability to sell their shares.
Tax Reporting	One consolidated Schedule K-1; best efforts to provide no later than mid-March
Exit Strategy ¹³	The board of directors intends to consider a liquidity event for its shareholders on or before Nov. 1, 2027 (which is within six years from the date the company terminated its initial public offering). The exit date can vary. Shares should only be purchased as a long-term investment.
Financial Suitability Standards	See the Suitability Standards section of the prospectus or your firm's policies. Some states may have additional standards. These states include AL, CA, IA, ID, KS, KY, MA, ME, MO, ND, NE, NJ, NM, OH, OK, OR, PA, PR, TN and VT.

There is no assurance the stated objectives will be met. CNL Strategic Capital pays substantial fees and expenses, which will reduce the amount of cash available for acquisitions or distributions to shareholders. Read the prospectus for complete details on the risks, fees and expenses.

¹⁰ The offering price will be adjusted monthly, in connection with the valuation, so shares are sold at a value that, after deducting commissions and dealer manager fees, is equal to NAV.

¹¹ Distributions paid are not solely based upon performance. Distributions are not guaranteed in frequency or amount. Distributions will be paid from net investment income, offering proceeds, borrowings or reimbursable expense support; the latter three will reduce future cash available for distributions and be dilutive to future shareholders.

¹² The share repurchase program offers redemptions up to 2.5% of CNL Strategic Capital's aggregate net asset value per calendar quarter and up to 10% of the aggregate net asset value for the prior four quarters. The board of directors may suspend or modify the program at any time; however, it cannot be terminated absent a liquidity event or unless otherwise required by law.

¹³ The board of directors is under no obligation to pursue or complete any particular liquidity event during this time frame or otherwise.