



# CNL Strategic Capital

Sub-managed by Levine Leichtman

PARTNER PROFILE

Levine Leichtman Capital Partners is an institutional asset manager that acquires concurrent debt and equity positions in middle-market companies primarily in the United States.

LLCP Headquarters, Los Angeles, California

CNL Financial Group (CNL), an alternative investment management firm specializing in the Democratization of Investing®, and Levine Leichtman Capital Partners (LLCP), an institutional asset manager focused on acquiring high cash flow, middle-market companies, have come together to form CNL Strategic Capital.

CNL believes LLCP's history of acquiring durable and growing companies, as well as seeking to provide meaningful returns and diversity outside of the publically traded markets, provides investors with a unique opportunity.

## 40 Year Track Record

Since inception, LLCP has:

- Managed approximately \$14.4 billion in capital
- Approximately 4,000 active deal sourcing relationships
- Invested alongside the management of over 100 middle-market companies

This investment is speculative, has substantial costs, and is not suitable for all investors.

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 objectives, risks and charges associated with an investment. 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.

**Past performance is not indicative of future results.**

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. 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. Data as of Dec. 31, 2023, unless otherwise noted.



LLCP's investment strategy seeks to provide current monthly income and long-term capital appreciation through investments in successful middle-market companies.

## Differentiated Investment Strategy

- Invests alongside experienced management teams with ownership stakes in durable and growing middle-market businesses
- Targets businesses with historical sustainable high free cash flow
- Typically invests through a combination of private debt and private equity
- Seeks to provide current income and long-term capital appreciation

## Value-Added Equity Sponsor

**Serves as a strategic partner to management, focusing on:**

- Revenue growth initiatives
- Operational improvement and supply chain initiatives
- Capital markets and add-on acquisitions

Distributions paid are not solely based upon performance. Distribution payments are not guaranteed in frequency or amount. Distributions may be funded from net investment income, offering proceeds and borrowings, as well as, in significant part, reimbursable expense support and fee deferrals; the latter three will reduce future cash available for distributions and be dilutive to shareholders. In addition, temporary waivers or expense reimbursements that may be subject to reimbursement to the adviser, or its affiliates may have a smoothing effect on NAV per share and/or distribution payments.

LLCP's business strategies may differ from those of CNL Strategic Capital's.

## LLCP's Industry Focus



**BUSINESS SERVICES**



**EDUCATION & TRAINING**



**FRANCHISING**



**MANUFACTURING/  
ENGINEERED PRODUCTS**

To learn more about CNL Strategic Capital, investors should contact their financial professional. Financial professionals should contact the managing dealer, CNL Securities Corp., member FINRA/SIPC, at 866-650-0650 or visit [cnlstrategiccapital.com](http://cnlstrategiccapital.com).



## Experienced Investment Committee

**Matthew Frankel**  
*Managing Partner*  
- 14 years with LLC  
- 22 years in industry

**Michael Weinberg**  
*Managing Partner*  
- 16 years with LLC  
- 29 years in industry

**Stephen Hogan**  
*President, Co-Chief  
Operating Officer and  
Chief Financial Officer*  
- 28 years with LLC  
- 34 years in industry

**David Wolmer**  
*Partner, Co-Chief  
Operating Officer and  
General Counsel*  
- 16 years with LLC  
- 23 years in industry

**Andrew Schwartz**  
*Partner*  
- 13 years with LLC  
- 21 years in industry

**Matthew Rich**  
*Partner*  
- 10 years with LLC  
- 18 years in industry

**Micah Levin**  
*Partner*  
- 7 years with LLC  
- 19 years in industry

**Arthur Levine**  
*Founding Partner &  
Co-Chairperson of the  
Executive Committee*  
- 40 years with LLC

**Lauren Leichtman**  
*Founding Partner &  
Co-Chairperson of the  
Executive Committee*  
- 40 years with LLC

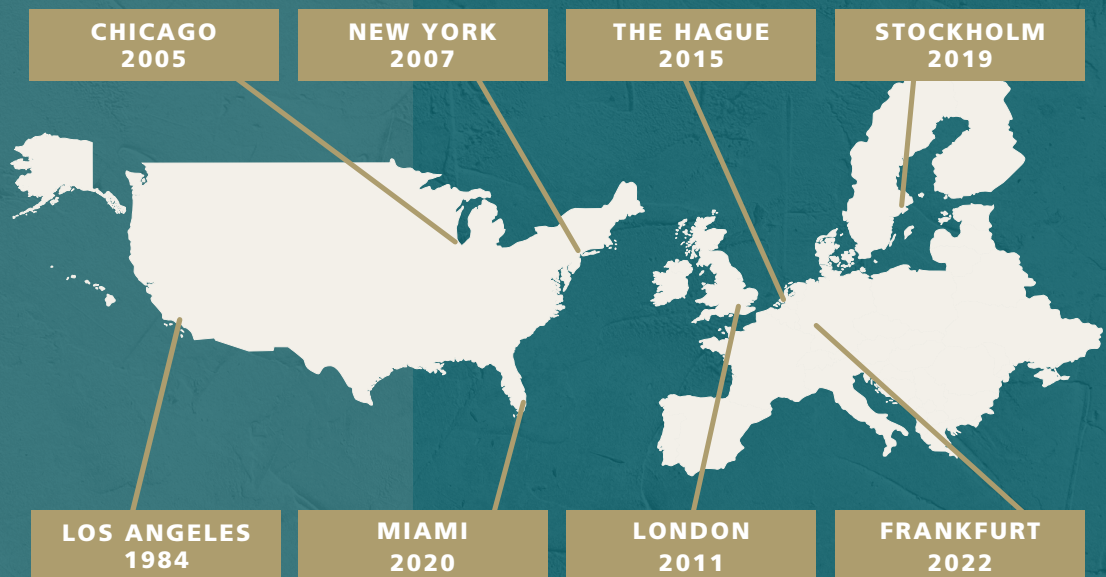
## LLCP Invests on Behalf of<sup>1</sup>

- Sovereign Wealth Funds
- Insurance Companies
- State Pension Plans
- High-Net-Worth Individuals
- Endowments
- Family Offices
- Foundations

Over 175 Global  
Institutional Investors

## Global Origination Platform

- LLC leverages a global sourcing platform and presence in the middle market<sup>2</sup>
- More than 4,000 active deal sourcing relationships
- A dedicated team of originations professionals
- More than 1,500 opportunities were identified in 2023 for potential investment



Past performance is not indicative of future results.

<sup>1</sup> 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.

<sup>2</sup> CNL Strategic Capital intends to invest in businesses primarily located in the United States.

## 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. 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 have third-party debt. The use of leverage and its limits are subject to change.
- **Valuation Risk.** Asset valuations will be estimates of fair value, which is calculated

from CNL Strategic Capital's financial statements prepared in accordance with GAAP, and do not represent the amount an investor would receive now or at any time in the future. CNL Strategic Capital's estimate of fair value for the portfolio is inherently subjective, and the net asset value (NAV) may not accurately reflect the actual price at which its assets could be liquidated. The realized value of shares will be dependent upon market conditions that are beyond anyone's ability to control or predict.

- **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 may 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 NAV for the prior four quarters. The board of directors may suspend or modify the program at any time.
- **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.

## GENERAL NOTICES

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