

CNL Strategic Capital, LLC

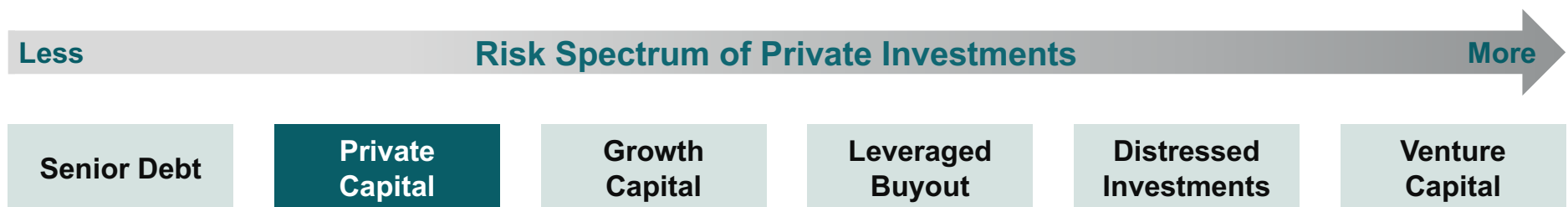
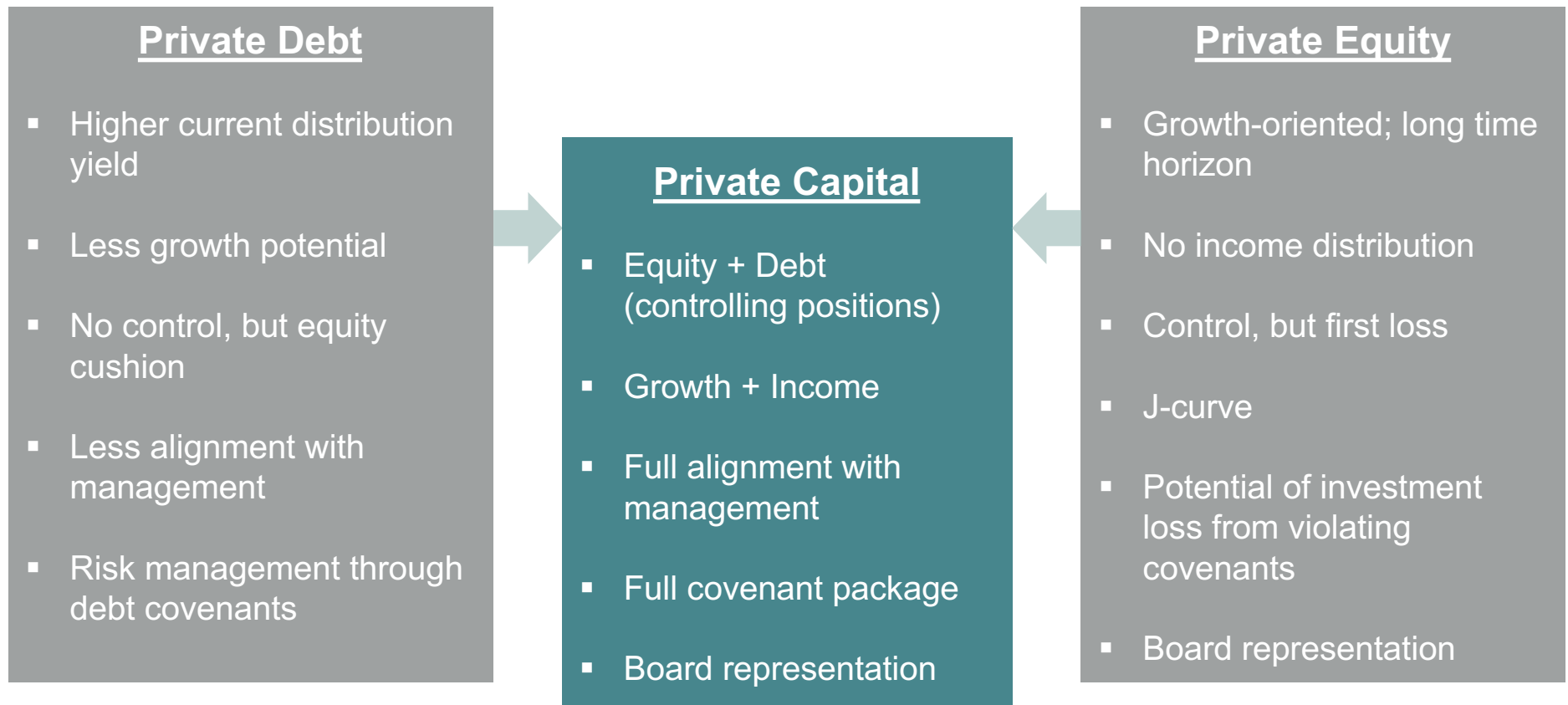
Sub-managed by Levine Leichtman

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What is Private Capital?

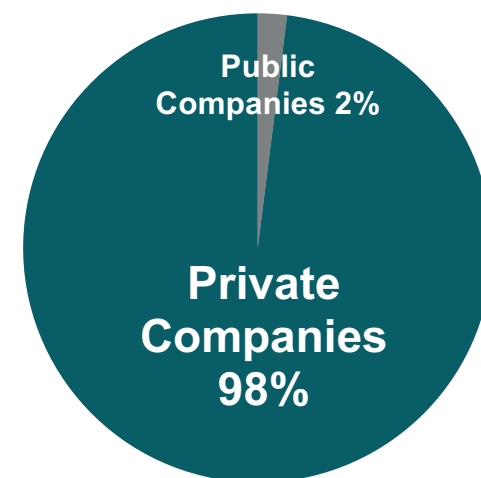


Compelling Trends in Middle Market & Private Companies

- > Favorable long term middle market macroeconomic trends
 - Ever increasing number of middle market companies
 - Potential supply constraints for middle market companies seeking funding
- > Of the approximately 87,000 companies in the U.S. with revenues ranging from \$25 to \$500 million, 98% are privately owned

U.S. Middle Market Growth 1985 – Feb 2018 (number of companies)

Company Revenue	1985	2018	Growth	% of Total Growth
\$50 to \$500 million	12,998	55,030	42,032	83.8%
More than \$500 million	1,908	10,056	8,148	16.2%
Total	14,906	65,086	50,180	



Source: Dun & Bradstreet. Data as of February 7, 2018

There is no assurance that the demand in the middle market or the supply constraints will remain at these levels or will not reverse in the future.

Experienced Management



45 years of experience

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

Pioneer in democratizing alternative investments

Manager: CNL Strategic Capital Management

Responsible for the overall management of CNL Strategic Capital



Sub-managed by Levine Leichtman

\$14 million Sponsor Investment

Alignment of interests with investors

Transparency

To underlying companies and other assets

Oversight

Independent Board

Leading Managers

Focus on respective core competencies



35 years of experience

Managed more than **\$9 billion** since inception

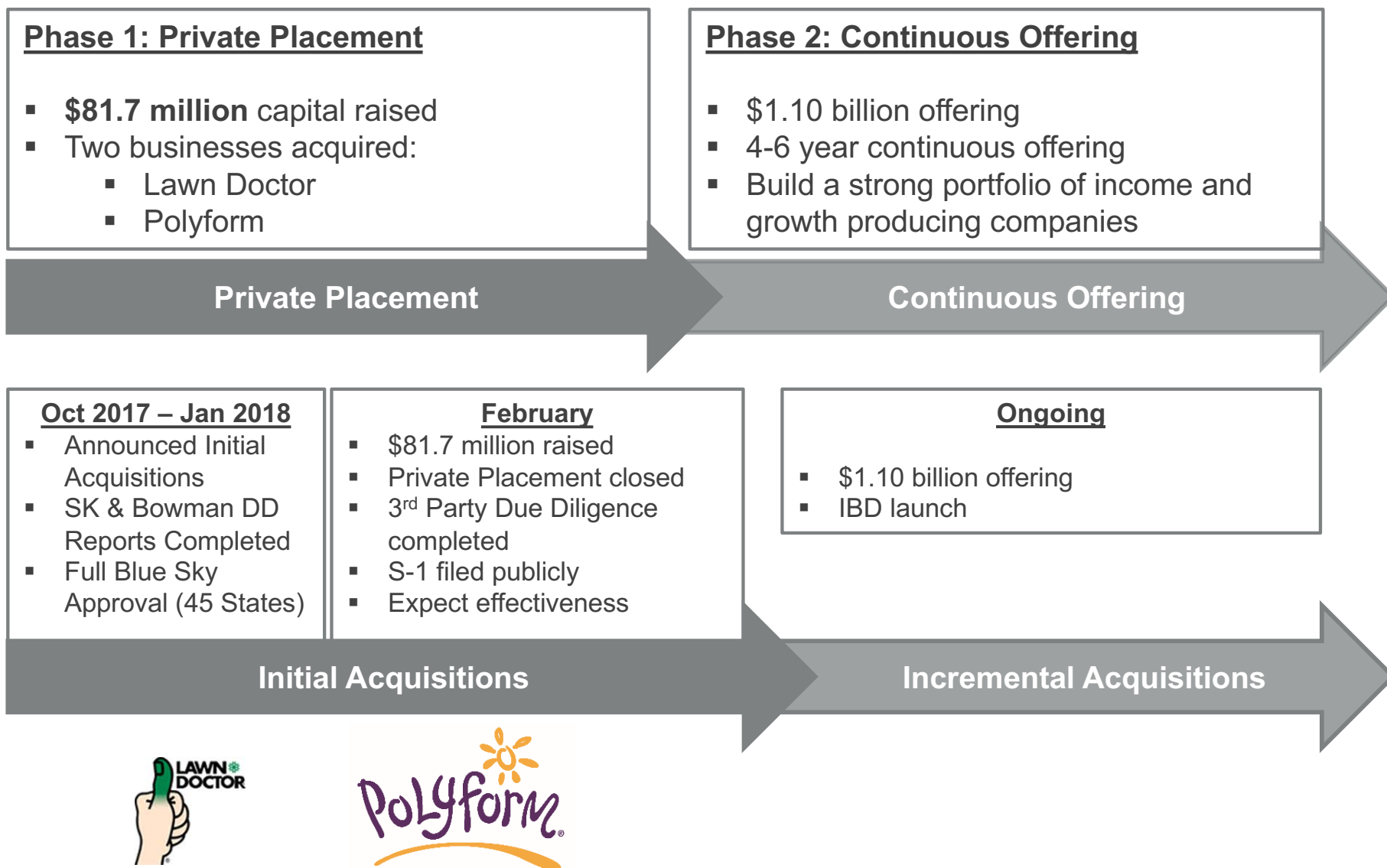
Global network of **136 institutional investors**

Sub-Manager: Levine Leichtman Strategic Capital

Responsible for the sourcing and managing the investment process of CNL Strategic Capital

CNL Strategic Capital Management and Levine Leichtman Strategic Capital are investment advisers registered with the SEC.

CNL Strategic Capital Milestones



A Unique Private Capital Investment Strategy

A differentiated approach seeking to provide long-term growth and monthly income by acquiring controlling interests in the equity and debt of private American businesses

Risk-Mitigated Total Return Approach

Monthly Income
+
Long-Term Growth Potential

Portfolio Diversifier

Alternative Asset Class
+
Access to Private Companies

Institutional Strategy

Direct LP Access
+
Co-investment*

*May co-invest alongside other institutional funds managed by Levine Leichtman Capital Partners.

- **\$81.7M** capital raised in private placement offering
- **2** middle market companies acquired (Lawn Doctor & Polyform)

Core Fundamental Investment Principles

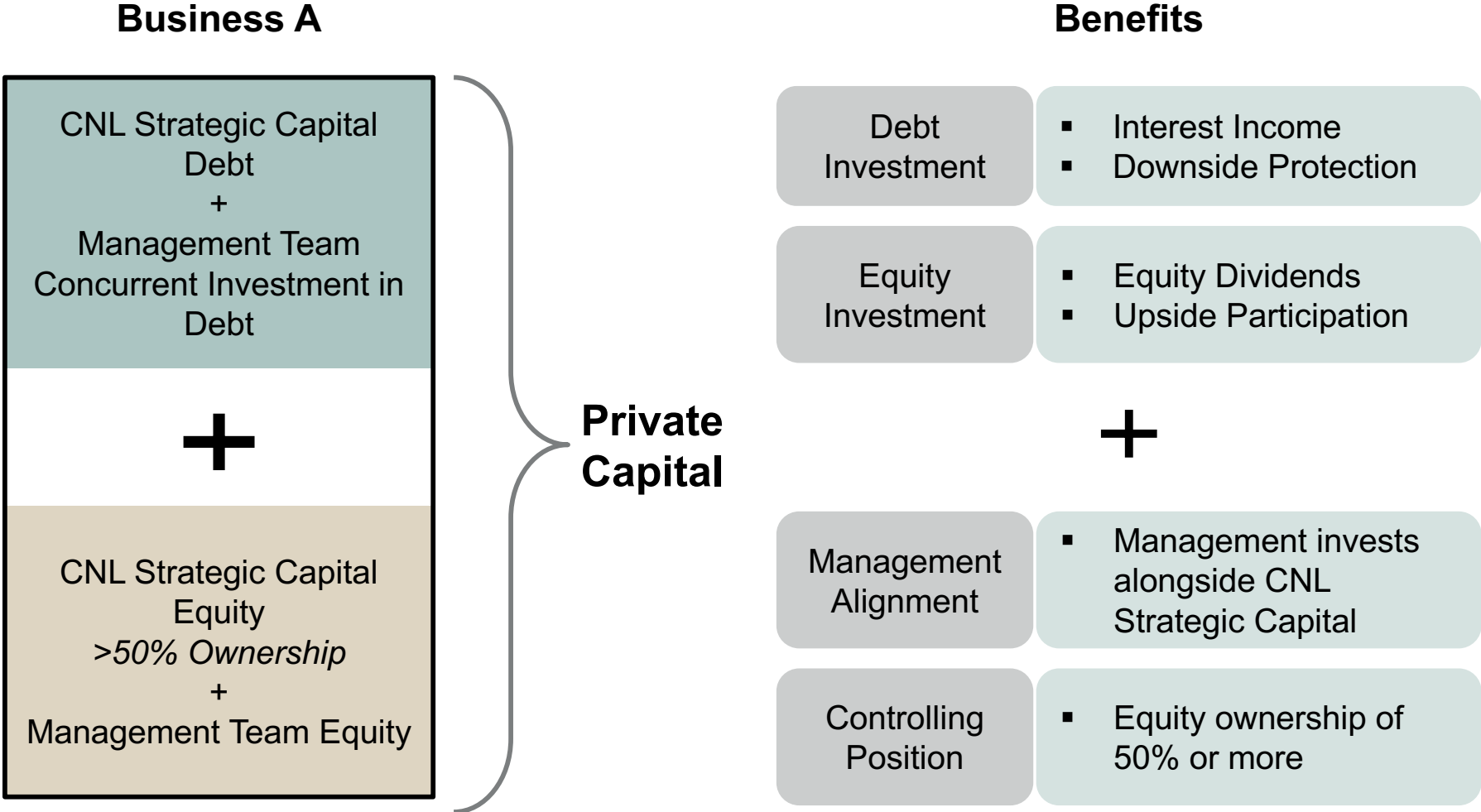
Target Business Characteristics

- ✓ Middle market businesses
- ✓ Strong financial profile
- ✓ Consistent cash flow
- ✓ Established, durable & growing
- ✓ High EBITDA margins and limited capital expenditures
- ✓ Limited correlation to GDP
- ✓ Proprietary products or services
- ✓ Sustainable competitive positions

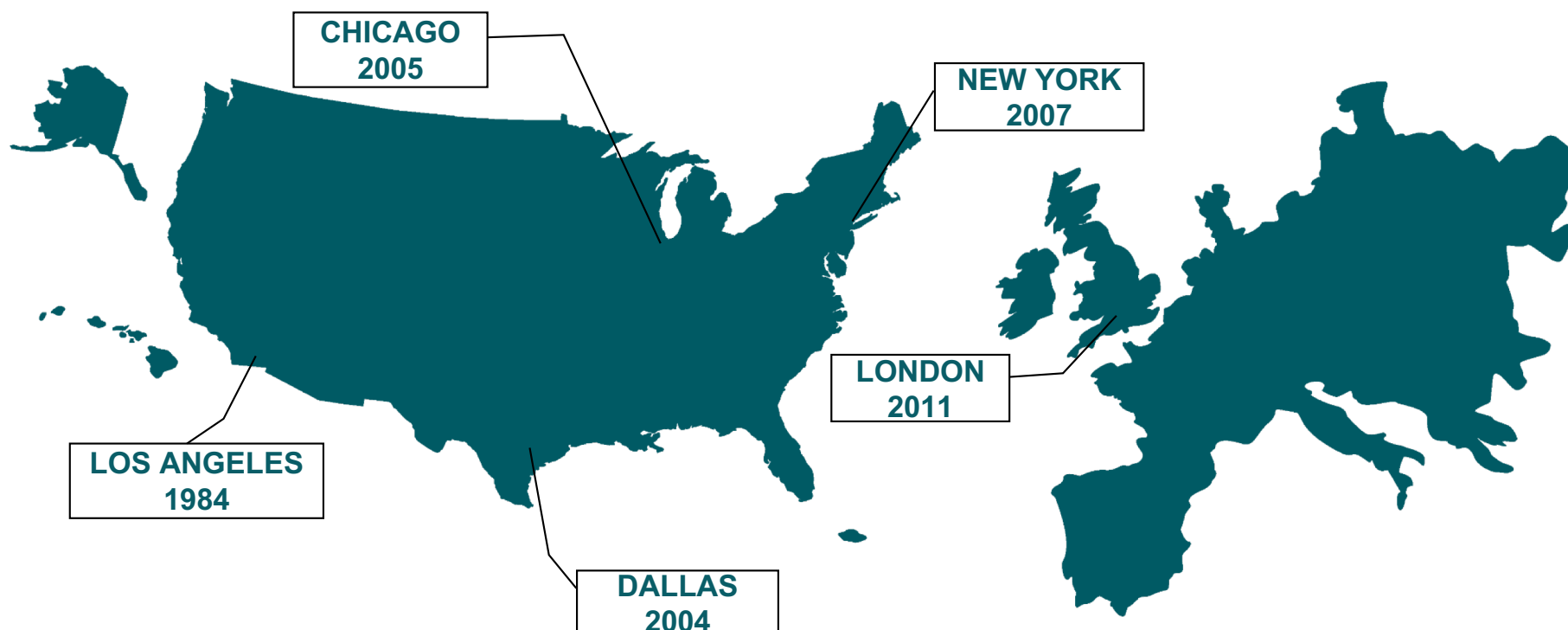


Concurrent Debt & Equity Investment Provides Benefits to Investors

Obtaining **controlling** equity and debt investments in the same private middle market company alongside existing management teams



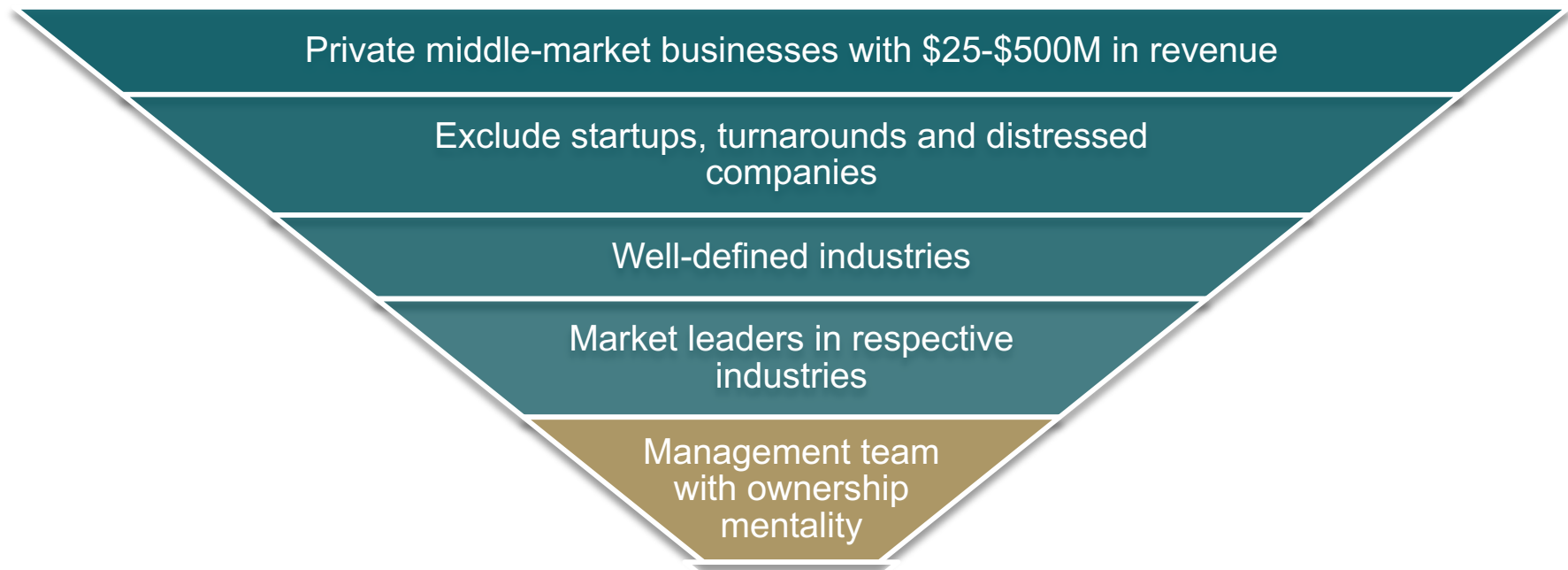
Robust Deal Sourcing Platform



- Deeply entrenched position within the business and banking community of each regional market
- Seven dedicated senior investment professionals with a combined 170+ years of experience
- More than 2,000 active deal sourcing relationships combined with local executive networks, result in 700+ investment opportunities reviewed annually

Highly Selective Screening & Strategic Partnership with Management

Through a network of more than 2,800 relationships, approximately 1,000+ opportunities were identified in 2017, and only 7 were selected for capital investment



Post Close Value-Add Services

- Ongoing monitoring to provide financial and strategic advice
- Board representation
- Operational improvement and supply chain initiatives
- Introduction to new business opportunities and acquisition capital financing

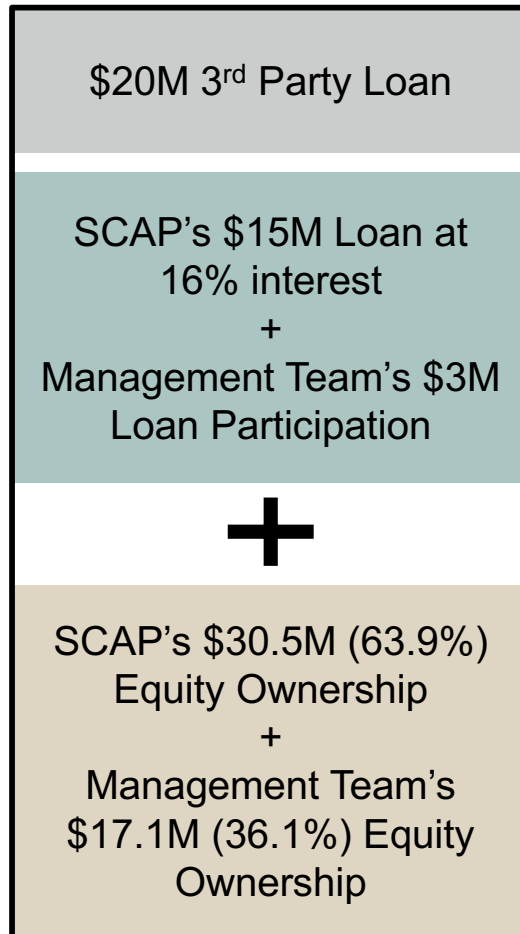
Lower Fees: Enhancing the Investor Experience

- Asset Management fees of 2% / 20% with a 7% hurdle and a high water mark
- No added layer of fund-of-fund fees
- Removed many of the fees that typically exist in private equity, private credit and retail funds:
 - ✓ No origination fees
 - ✓ No monitoring fees
 - ✓ No client Time & Billing (CT&B)
 - ✓ No investor servicing fee on A & I shares
 - ✓ No acquisition fees
 - ✓ No related party administration & sub-administration expenses

Lawn Doctor – Overview



Lawn Doctor Capital Structure



> Business

- Leading franchisor of lawn care services diversified across US with recurring revenue stream and attractive franchisee metrics
 - 535 franchises as of 12/31/2017
- Highly motivated and strong management team led by CEO, Scott Frith
- Strong free cash flow characteristics and actionable continued growth strategies

> Transaction

- \$45 million total investment, \$15 million in senior secured loan at fixed 16% interest.
- Acquired 63.9% of Lawn Doctor, with the remaining amount held by Lawn Doctor's management team
 - CEO: \$16.8M (35.3%)
 - Other Management Equity Ownership: \$0.3M (0.8%)

CNL Strategic Capital Offering Highlights

Suitability Requirements	Investors of shares must have either i) a gross annual income of at least \$70,000 and a net worth of at least \$70,000, or ii) a net worth of at least \$250,000 (excluding values of home, furnishings and automobiles) – subject to additional state suitability requirements as disclosed in the Prospectus
Distribution	On March 7, 2018, the board of directors of the Company declared cash distributions on the outstanding shares of all classes of its common shares based on weekly record dates for the time period beginning on March 7, 2018 through and including March 27, 2018.
Offering Size & Price, and Minimum Investment	DPP best efforts offering; up to \$1.1 billion in shares of Class A, T, D and I, including DRP shares of \$0.1 billion Initial minimum purchase amount of \$5,000 at initial offering price of \$27.32 (Class A), \$26.25 (T), \$25 (D & I)
Net Asset Value	Intend to publish monthly beginning in April 2018; CNL Strategic Capital’s Board, with material assistance from the Manager, the Sub-Manager, and Alvarez & Marsal, expected to determine the Company’s NAV on a monthly basis
Share Repurchase Program (SRP)	Subject to Board discretion, quarterly SRP expected to commence no later than March 2019 at the repurchase price of prior month’s disclosed NAV. Total repurchases of up to 2.5% of the fund’s aggregate NAV per quarter (limited by DRP proceeds). No fee or discount at redemption, no hold period requirement, and shareholders can redeem all or a portion of shares (at least 5% of shares), subject to priority of redemption requests as disclosed in the prospectus
Dividend Reinvestment Plan (DRP)	\$100 million to be offered as a part of DRP Purchase price at previously established NAV, with automatic reinvestment of distributions monthly (investors must “opt-out”) – except for residents of AL, ID, KS, KY, ME, MD, MA, MN, MS, NE, NH, NJ, NC, OH, OR, WA
Structure & Tax Reporting	LLC taxed as partnership; Consolidated K-1 (Federal only) anticipated within 90 days of calendar year end
On-going Fee Summary	Annualized 2% base management fee on average gross assets excluding cash; Total Return Incentive Fee of 20% over an annual 7% hurdle (with catch-up), subject to a High Water Mark
Transaction Fees	Transaction fees may be charged on a case by case basis to portfolio businesses per calendar year. Fees will be reviewed on a quarterly basis by the board of directors, any fee or series of fees that exceeds \$100,000, the Sub-Manager will obtain approval of a majority of SCAP’s board including a majority of the independent directors.
Qualified / Non Qualified	Yes, Corporate blocker(s) intend to be utilized to mitigate potential UBTI
Length of Offering & Exit Strategy	Two year offering, subject to board discretion. The board of directors intends to contemplate a liquidity event for shareholders within six years from the termination of this offering, however the board has no obligation to do so

PLEASE SEE FOLLOWING SLIDE FOR ADDITIONAL DETAILS REGARDING OFFERING EXPENSES

CNL Strategic Capital Offering Expenses

	A Shares		T Shares		D Shares		I Shares	
	Per Share	% of Gross Proceeds	Per Share	% of Gross Proceeds	Per Share	% of Gross Proceeds	Per Share	% of Gross Proceeds
Initial Public Offering Price	27.32	100.00%	26.25	100.00%	25.00	100.00%	25.00	100.00%
Less: Upfront Selling Commissions	\$1.64	6.00%	\$0.79	3.00%	\$0.00	0.00%	\$0.00	0.00%
Less: Upfront Dealer Manager Fees	\$0.68	2.50%	\$0.46	1.75%	\$0.00	0.00%	\$0.00	0.00%
Less: O&O Expenses*	\$0.27	1.00%	\$0.26	1.00%	\$0.25	1.00%	\$0.25	1.00%
Net Investment Amount	24.73	90.50%	24.74	94.25%	24.75	99.00%	24.75	99.00%

*Organization & Offering Expenses: up to 1.50%, estimate that we will incur organization and offering costs of approximately 1.0% of the gross offering proceeds, assuming maximum gross proceeds in the offering are raised

- Annual Servicing Fee (Trail) of 1% of NAV for Class T, and 0.5% of NAV for Class D share
 - Trail at each share class level will cease to be paid (and separately, per investor account, non-taxable conversion of all shares in such class) once total underwriting expenses are not less than 8.5% of the gross offering proceeds for such share class.

Appendix



CNL *Strategic Capital*

Sub-managed by **Levine Leichtman**

Levine Leichtman Investment Track Record

Private Acquisition Funds Performance From Inception through December 31, 2016⁽¹⁾

(\$ in thousands)

	Total Number of Investments	As of December 31, 2016					
		Investment Amount ⁽²⁾ (3)	Realized Value ⁽⁴⁾⁽⁵⁾	Unrealized Value ⁽⁴⁾	Gross Internal Rate of Return ⁽⁶⁾	Net Internal Rate of Return ⁽⁷⁾	Management & Incentive Fees, Expenses
LLCP I	6	\$ 98,560	\$ 159,945	\$ —	44.2%	18.7%	\$ 32,534
LLCP II	12	\$ 346,772	\$ 523,596	\$ —	11.0%	6.5%	\$ 61,098
LLCP III	14	\$ 470,356	\$ 825,438	\$ 97,274	16.4%	9.9%	\$ 135,205
LLCP IV	11	\$ 834,654	\$ 1,691,561	\$ 297,664	29.0%	19.9%	\$ 311,421
LLCP V	10	\$ 1,253,770	\$ 225,106	\$ 1,406,020	18.2%	10.4%	\$ 95,137
SBIC Fund	7	\$ 141,097	\$ 112,266	\$ 170,040	40.8% ⁽⁸⁾	35.4% ⁽⁸⁾	\$ 38,337
LMM Fund	1	\$ 70,500	\$ 896	\$ 71,396	7.9%	—	\$ 8,459

(1) The private funds shown in this table were conducted through privately held entities that were subject neither to the up-front commissions, fees and other expenses associated with this offering nor all of the laws and regulations that will apply to us. (2) Excludes capital called for fund-level fees and expenses. (3) Investment Amount is determined as of the closing of the investment and includes all equity called and all debt funded or contractually committed to be funded by the collective investments herein. (4) Realized and Unrealized Value before fees, expenses, and general partner's carried interest. Realized value represents the combination of cumulative interest and dividend payments as well as net proceeds derived from the ultimate sale transaction. Determinations of Unrealized Value are based upon the principal amount of the Fund's investment in the underlying portfolio company's debt securities (or possibly less if such debt security is impaired) at the time of determination plus the value of such Fund's equity investment in the portfolio company, as valued by LLC P's valuation committee. LLC P believes these values are reasonable and appropriate; however, there can be no assurance that proceeds will be realized on these investments, or that, if or when realized, the proceeds will be equal to the values estimated by LLC P. Unrealized Values are as of December 31, 2016. U.S. GAAP requires that foreign currency fluctuations be taken into account in determining value for purposes of the Fund's financial statements; however, LLC P has a general policy that all investments are held at cost for the first year after the applicable investment is acquired. Accordingly, such foreign currency fluctuations are not reflected in GL Education's value presented in this table. (5) Distributions in LLC P II, LLC P III and LLC P IV for fully realized investments may include notes receivables, escrows, holdbacks, residual interests and other reserves that each fund believes will be received at the expiration of any applicable time periods or otherwise. (6) Internal rates of return (gross) before fees, expenses, and general partner's carried interest, calculated using a "time-zero" methodology in which the cash flows of all investments (actual amounts of contributions and distributions) are based from the same hypothetical starting date. (7) Internal rates of return (net) after fees, expenses, and general partner's carried interest, calculated using a "time-zero" methodology in which the cash flows of all investments (actual amounts of contributions and distributions) are based from the same hypothetical starting date. (8) Internal Rate of Return for SBIC Fund is based on limited partner cash flows, not fund level cash flows.

Levine Leichtman Investment Track Record

SALES OF INVESTMENTS⁽¹⁾

Table V presents summary information on the results of sales of companies from certain prior programs sponsored by LLCP with business objectives similar to ours during the three year period ended December 31, 2016.

(\$ in thousands)	Year Ended December 31, 2016					
	Operating Company	Industry	Date Acquired	Date of Sale	Investment Cost	Realized Value ⁽²⁾⁽³⁾
LLCP III	National Corrective Group	Collection Services	Nov 2004	Jun 2014	\$ 30,161	\$ 34,079
LLCP III	Poma	Card Lock Fueling	Jun 2006	Jan 2015	\$ 38,788	\$ 58,724
LLCP III	Wetzel's Pretzels	Restaurant Franchisor	Jan 2007	Aug 2016	\$ 22,700	\$ 140,299
LLCP III	AMG Management	Restaurant / Entertainment	Feb 2007	Jun 2014	\$ 22,650	\$ 22,750
LLCP III	Turnaround Capital	Investment Management	Jun 2007	Jun 2014	\$ 20,075	\$ 28,776
LLCP III	Dexter Magnetics	Magnetics Solutions	Jul 2007	Mar 2015	\$ 53,400	\$ 135,215
LLCP III	Carpets 'N More	Flooring Sales / Installation	Aug 2007	Apr 2014	\$ 51,536	\$ 12,588
LLCP IV	Consumer Portfolio Services	Specialty Finance	Apr 2008	Jul 2014	\$ 70,994	\$ 165,699
LLCP IV	Revenew International	Contract Compliance	Oct 2010	Jul 2016	\$ 50,250	\$ 114,142
LLCP IV	Luminator	Lighting & Comm. Systems	Oct 2010	Apr 2014	\$ 50,865	\$ 221,889
LLCP IV	Tronair	Aviation Ground Equipment	Mar 2012	Aug 2016	\$ 95,664	\$ 277,217
LLCP IV	Magnolia Bluffs	Casino Complex	Jun 2012	Aug 2015	\$ 20,000	\$ 33,407
LLCP IV	Mander Portman Woodward	Private Education	Aug 2012	Jan 2016	\$ 57,818	\$ 154,748
SBIC Fund	Senior Helpers	Senior Health Care	Oct 2012	Oct 2016	\$ 18,505	\$ 76,533

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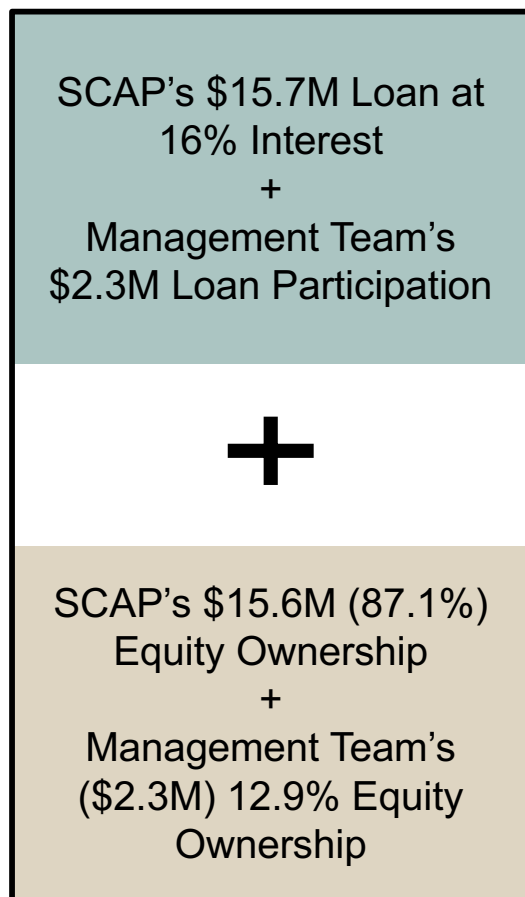
(2) Realized value represents the combination of cumulative interest and dividend payments as well as net proceeds derived from the ultimate sale transaction. Determinations of Unrealized Value are based upon the principal amount of the Fund's investment in the underlying portfolio company's debt securities (or possibly less if such debt security is impaired) at the time of determination plus the value of such Fund's equity investment in the portfolio company, as valued by LLCP's valuation committee. LLCP believes these values are reasonable and appropriate; however, there can be no assurance that proceeds will be realized on these investments, or that, if or when realized, the proceeds will be equal to the values estimated by LLCP. Unrealized Values are as of December 31, 2016. U.S. GAAP requires that foreign currency fluctuations be taken into account in determining value for purposes of the Fund's financial statements; however, LLCP has a general policy that all investments are held at cost for the first year after the applicable investment is acquired. Accordingly, such foreign currency fluctuations are not reflected in GL Education's value presented in this table.

(3) Distributions in LLCP II, LLCP III and LLCP IV for fully realized investments may include notes receivables, escrows, holdbacks, residual interests and other reserves that each fund believes will be received at the expiration of any applicable time periods or otherwise.

Polyform – Overview



Polyform Capital Structure



> Business

- Dominant polymer and clay manufacturing brand in niche market with limited competition
- Long-tenured and expanding customer relationships
- Strong free cash flow characteristics and actionable continued growth strategies

> Transaction

- No 3rd Party Leverage, \$30.29 million total investment, \$15.14 million in senior secured loan at fixed 16% interest
- Acquired 86.5% of Polyform, with the remaining amount held by Polyform's management team