

CNL STRATEGIC CAPITAL MANAGEMENT, LLC

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Firm Brochure Form ADV, Part 2A

Prepared for Filing with our Form ADV Part 1

Dated: February 16, 2017

Item 1 – Cover Page

CNL STRATEGIC CAPITAL MANAGEMENT, LLC

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Orlando, Florida 32801
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February 16, 2017

This Brochure provides information about the qualifications and business practices of CNL STRATEGIC CAPITAL MANAGEMENT, LLC, which we may refer to in this brochure as “the Adviser,” “we,” “us,” or “CSCM.” If you have any questions about the contents of this Brochure, please contact Susan L. Terenzio, Chief Compliance Officer at (407) 540-2739 or at susan.terenzio@cnl.com.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

CNL STRATEGIC CAPITAL MANAGEMENT, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training.

We have elected to make the required disclosures pursuant to the format and requirements of Form ADV Part 2A in satisfaction of our fiduciary notice requirements.

Currently, our Brochure may be requested by contacting Susan L. Terenzio, Chief Compliance Officer at (407) 540-2739 or it is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with us who are registered, or are required to be registered, as investment adviser representatives of the Adviser.

Item 2 – Material Changes

This is the initial brochure so there are no material changes at this time.

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Item 4 – Advisory Business

CSCM is a newly formed Delaware limited liability company. It is controlled by CNL Financial Group, a private investment management firm specializing in alternative investment products. CSCM is organized as a holding company that conducts business primarily through its wholly- and majority-owned subsidiaries. We intend to be Administrator and Manager to CNL Strategic Capital, LLC, who will be our sole client. CNL Strategic Capital, LLC is an operating company that seeks to acquire and grow operating businesses. Our client will raise capital for operations through a private offering of securities excepted from registration with the SEC as an investment company.

Item 5 – Fees and Compensation

Pursuant to the Management Agreement executed between us and our client, CNL Strategic Capital, LLC, we will be paid a Management Fee and an Incentive Fee. In accordance with the Sub-Management Agreement executed between us and the Sub-Manager, the sub-manager will be entitled to 50% of all fees earned. The Management Fee is calculated based on the average value of gross assets which will reflect changes in the fair market value of our assets and will reflect both realized and unrealized capital appreciation. The Incentive Fee consists of three parts: (i) a subordinated incentive fee on income, (ii) an incentive fee on capital gains and (iii) an incentive fee on unrealized gains in our assets. The incentive fee on unrealized gains will not commence until three years after the offering meets its minimum offering requirement and will be based upon the unrealized gain of underlying operating companies in which our client holds a controlling equity position. The fee schedule is currently being negotiated within the development of the Management Agreement.

In addition to the Management Fees listed above, the Manager is intended to enter into an Administrative Services Agreement with CNL Strategic Capital, LLC under which we will be paid a fee and reimbursement of expenses on a direct cost basis or the amount that would be paid for comparable services in the same geographic location.

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

Please see our response to Item 5 above.

Item 7 – Types of Clients

We intend to be Administrator and Manager to CNL Strategic Capital, LLC, who will be our sole client. CNL Strategic Capital, LLC is an operating company that seeks to acquire and grow operating businesses. Our client will raise capital for operations through a private offering of securities excepted from registration with the SEC as an investment company.

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

CSCM has engaged a sub-manager under the sub-manager agreement, pursuant to which the sub-manager is responsible for the overall management of assets. CSCM and the sub-manager are collectively responsible for the sourcing potential acquisition and debt financing opportunities, subject to the final approval of CSCM, and monitoring and managing the businesses acquired and/or finance on an ongoing basis. The sub-manager is primarily responsible for analyzing and conducting due diligence on prospective acquisitions and debt financings, as well as the overall structuring of transactions.

The business strategy seeks to create long-term value by acquiring and growing durable, middle-market operating businesses.

It is intended to create what is believed to be a capital structure that mitigates the downside risk by concurrently acquiring controlling equity stakes with concurrent loan positions in the businesses acquired.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the integrity of our management team. CNL Strategic Capital Management has no disclosures to report.

Item 10 – Other Financial Industry Activities and Affiliations

The Adviser is an indirect, wholly owned subsidiary of CNL Financial Group, LLC, an investment management firm specializing in alternative investment products in which affiliates and officers of CSCM's are also principals, executive officers and/or directors.

Certain of our officers and advisory representatives ("persons associated with us") may be provided to us by an affiliated entity, CNL Financial Group ("CNL") to provide clerical, ministerial and non-investment advisory services and staffing. All persons associated with us are subject to our Code of Ethics, the fiduciary standards and all reporting requirements established thereunder. All persons providing services to us are subject to confidentiality requirements under the respective agreements.

Additionally, an affiliate of CSCM, CNL Securities Corp., is a FINRA registered broker-dealer and is a wholly-owned, indirect subsidiary of CNL Financial Group, LLC. This entity is also under agreement with our client to provide managing dealer services with regard to the sale of our client's shares and CNL Securities Corp. may receive compensation in this regard. This agreement was approved by the Independent Director Committee of our Client.

We do not believe the affiliations listed above create a material conflict of interest for us, our advisory representatives, our clients or the affiliated entities.

Item 11 – Code of Ethics

CSCM has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at CSCM must acknowledge the terms of the Code of Ethics annually, or as amended.

You may request a copy of our Code of Ethics by contacting our Chief Compliance Officer, Susan Terenzio at (407)540-2739 or by email to susan.terenzio@cnl.com.

Item 12 – Brokerage Practices

Transactions on behalf of our client which may require the services of a broker-dealer shall be coordinated at the sub-manager level. It is not intended that we would utilize the broker-dealer who is affiliated with us for such transactions.

Item 13 – Review of Accounts

Upon the approval by the sub-manager's management committee, a transaction is submitted to CSCM's management committee for final approval. Any acquisition or financing transaction must be approved by the affirmative vote from the majority of members of both CSCM and sub-manager's management committees.

There is the intention to adopt an allocation policy which would be designed to ensure that the client is treated fairly and equitably with respect to the allocation of acquisition opportunities among funds or pools of capital managed by the sub-manager. The independent directors of the board of directors will be responsible for oversight of the allocation process, and all transactions involving a question of allocation must be approved by an affirmative vote from the majority of independent directors.

Item 14 – Client Referrals and Other Compensation

We do not receive any economic benefit from any person for providing investment advice or other advisory services to our client. In addition, neither we nor any related person directly or indirectly compensates any individual for client referrals.

Item 15 – Custody

We do not have custody of client funds. As a result, we will not be sending account statements to our client. Custody of our client assets will be with a service provider with whom our client has executed a Custodian Agreement and/or sub-administration agreement directly.

Item 16 – Investment Discretion

When selecting securities and determining amounts, our Investment Committee observes the investment policies, limitations and restrictions of our client as established by our policies and procedures.

Item 17 – Voting Client Securities

Responsibility for proxy voting on behalf of our client has been delegated, by written agreement, to the sub-manager.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about its financial condition. CSCM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to its client, and has not been the subject of any bankruptcy proceeding.

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Firm Brochure Supplement Form ADV, Part 2B

Prepared for Distribution to our Clients

Dated: February 16, 2017

The brochure supplement contains information about the educational background, business experience, and disciplinary history (if any) of the supervised persons who provide advisory services to the client(s).

Item 1- Cover Page

THOMAS K. SITTEMA
CNL STRATEGIC CAPITAL MANAGEMENT, LLC

450 S. Orange Avenue
Orlando, Florida 32801
Phone: (407) 650-1000
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February 16, 2017

This Brochure Supplement provides information about Mr. Sittema that supplements CNL Strategic Capital Management's Brochure. You should have received a copy of that Brochure. Please contact our Chief Compliance Officer, Susan L. Terenzio at (407) 540-2739 if you did not receive our Brochure or if you have any questions about the contents of this supplement.

Additional information about Mr. Sittema is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Thomas K. Sittema, Age 58

Education History

B.A. in Business Administration, Dordt College
M.B.A., concentration in Finance, Indiana University

Employment History

From	To	Name	Investment Related Business?	City	State	Country	Position
08/2016	Present	CNL STRATEGIC CAPITAL MANAGEMENT, LLC	Y	ORLANDO	FL	USA	MANAGER, CHAIRMAN
08/2016	Present	CNL GROWTH PROPERTIES, INC.	Y	ORLANDO	FL	USA	DIRECTOR, CHAIRMAN
06/2016	Present	CNL HEALTHCARE PROPERTIES, INC.	Y	ORLANDO	FL	USA	CHAIRMAN
01/2016	Present	CNL HEALTHCARE PROPERTIES II, INC.	Y	ORLANDO	FL	USA	INVESTMENT COMMITTEE MEMBER
11/2015	Present	CNL HEALTHCARE PROPERTIES II, INC.	Y	ORLANDO	FL	USA	DIRECTOR, CHAIRMAN
07/2015	Present	CHP II ADVISORS, LLC	Y	ORLANDO	FL	USA	CEO

06/2015	Present	CORPORATE CAPITAL TRUST II	Y	ORLANDO	FL	USA	CHARIMAN
04/2015	Present	CNL GROWTH PROPERTIES II MEMBER, LLC	Y	ORLANDO	FL	USA	CEO
11/2014	Present	CNL FUND ADVISORS II, LLC	Y	ORLANDO	FL	USA	MANAGER, CHAIRMAN
09/2014	03/2016, 08/2016	CNL GROWTH PROPERTIES, INC.	Y	ORLANDO	FL	USA	PRESIDENT, CEO
09/2014	Present	CNL FUND ADVISORS COMPANY	Y	ORLANDO	FL	USA	CEO
09/2014	Present	CNL GLOBAL GROWTH ADVISORS, LLC	Y	ORLANDO	FL	USA	PRESIDENT, CEO, MANAGER
09/2014	Present	CORPORATE CAPITAL TRUST, INC.	Y	ORLANDO	FL	USA	CEO
08/2014	Present	CORPORATE CAPITAL TRUST II	Y	ORLANDO	FL	USA	CEO, TRUSTEE
08/2013	Present	CNL CAPITAL MARKETS CORP.	Y	ORLANDO	FL	USA	CEO
04/2012	Present	CNL LIFESTYLE PROPERTIES, INC.	Y	ORLANDO	FL	USA	DIRECTOR, VICE CHAIRMAN
04/2012	Present	CNL HEALTHCARE PROPERTIES, INC.	Y	ORLANDO	FL	USA	DIRECTOR
04/2012	06/2016	CNL HEALTHCARE PROPERTIES, INC.	Y	ORLANDO	FL	USA	VICE CHAIRMAN
06/2011	Present	CNL CAPITAL MARKETS CORP.	Y	ORLANDO	FL	USA	DIRECTOR
10/2009	Present	CNL FINANCIAL GROUP, INC.	Y	ORLANDO	FL	USA	CEO

Item 3- Disciplinary Information

Mr. Sittema has no legal or disciplinary events to disclose under this Item.

Item 4- Other Business Activities

Mr. Sittema currently serves in Director and officer roles for entities affiliated with CSCM, as disclosed above. He does not receive any separate compensation for his responsibilities to these entities.

Mr. Sittema has also been appointed a Chairman of the Board of Directors/Trustees of our client business development corporations. In addition to his Director role with us, Mr. Sittema will sit on the Investment Committee for the evaluation and monitoring of investments on behalf of those entities' advisers. He does not receive any separate compensation for his responsibilities to our clients.

Mr. Sittema also currently serves in executive officer roles for entities which are advised by affiliated entities of CSCM that focus on real estate investment trusts and business development companies. He does not receive any separate compensation for his responsibilities to these entities.

Mr. Sittema is also active in the community and industry organizations, holding the following positions:

- Founder and Board Chair of LIFT Orlando
- Board Chair of the Metro Orlando Economic Development Commission
- Vice President of the Board of Directors for Florida Citrus Sports
- Board of Directors of the James Madison Institute
- Board Chair of the Center for Real Estate for Belk College of Business, University of North Carolina, Charlotte
- Member of the National Association of Real Estate Investment Trusts (NAREIT)
- Member of the Board of Managers for Crescent Communities
- 2016 Chair for the Investment Program Association (IPA)

Item 5- Additional Compensation

Mr. Sittema does not receive any economic benefit for providing advisory services. The only compensation received by Mr. Sittema is in conjunction with the salary received from his current employer.

Item 6 - Supervision

Initial identification of potential portfolio investments for our client is identified through the senior investment teams of CSCM as adviser. Those that meet the standards set by our client are then presented to an Investment Committee for consideration. Investment review, selection and monitoring are done through two Investment Committees, one at the sub-advisor level and one at the advisor level. These Investment Committees review the investments. The client is ultimately responsible for the management and investment oversight of the client's company which includes the oversight of the client's investment activities, quarterly valuations, financing arrangements and corporate governance. The client's Board has established certain parameters for investments for which the Investment Committee may approve on its own. However, no person has individual authority to make investment recommendations and execute investment transactions on behalf of our client.

In addition, our compliance program has established certain policies and procedures for the oversight of Investment Process and the controls established for the Investment Committee. Our Chief Compliance Officer will conduct periodic reviews ensuring that investment recommendations are not made to our client outside the established investment policies.

Item 1- Cover Page

SUSAN L. TERENCE

CNL STRATEGIC CAPITAL MANAGEMENT, LLC

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February 16, 2017

This Brochure Supplement provides information about Ms. Terenzio that supplements CNL Strategic Capital Management's Brochure. You should have received a copy of that Brochure. Please contact our Chief Compliance Officer, Susan L. Terenzio at (407) 540-2739 if you did not receive our Brochure or if you have any questions about the contents of this supplement.

Additional information about Ms. Terenzio is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Susan L. Terenzio, Age 56

Education History

B.S., Paralegal Studies, Rivier College, Nashua, NH, 1982

IACCP^s – National Regulatory Services' Investment Advisor Certified Compliance Professional Designation

NSCP-CSCP – National Society of Compliance Professionals, Certified Securities Compliance Professional

FINRA 63, 65, 7

Employment History

From	To	Name of <i>Firm</i> or Company	<i>Investment-Related</i> business?	City	State	Country	Position
12/2016	Present	CNL STRATEGIC CAPITAL MANAGEMENT, LLC	Y	ORLANDO	FL	USA	CCO
01/2015	Present	CNL ENERGY FUND ADVISORS, LLC	Y	ORLANDO	FL	USA	CCO; SECRETARY
11/2014	Present	CNL FUND ADVISORS II, LLC	Y	ORLANDO	FL	USA	CCO; SECRETARY
12/2010	Present	CNL FINANCIAL GROUP INVESTMENT MANAGEMENT, LLC	Y	ORLANDO	FL	USA	Vice President of Compliance
09/2011	Present	CNL FUND ADVISORS COMPANY	Y	ORLANDO	FL	USA	CCO; SECRETARY

Item 3- Disciplinary Information

Ms. Terenzio has no legal or disciplinary events to disclose under this Item.

Item 4- Other Business Activities

Ms. Terenzio has no outside business affiliations to report in this Item.

Item 5- Additional Compensation

Ms. Terenzio does not receive any economic benefit for providing advisory services. The only compensation received by Ms. Terenzio is in conjunction with the salary received from her current employer.

Item 6 - Supervision

It is not contemplated that Ms. Terenzio will serve in any function other than as Chief Compliance Officer.

Initial identification of potential portfolio investments for our client is identified through the senior investment teams of CSCM as adviser. Those that meet the standards set by our client are then presented to an Investment Committee for consideration. Investment review, selection and monitoring are done through two Investment Committees, one at the sub-advisor level and one at the advisor level. These Investment Committees review the investments. The client is ultimately responsible for the management and investment oversight of the client's company which includes the oversight of the client's investment activities, quarterly valuations, financing arrangements and corporate governance. The client's Board has established certain parameters for investments for which the Investment Committee may approve on its own. However, no

person has individual authority to make investment recommendations and execute investment transactions on behalf of our client.

In addition, our compliance program has established certain policies and procedures for the oversight of Investment Process and the controls established for the Investment Committee. Our Chief Compliance Officer will conduct periodic reviews ensuring that investment recommendations are not made to our client outside the established investment policies.