

CNL STRATEGIC ASSET MANAGEMENT, LLC

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Firm Brochure Form ADV, Part 2A

Prepared for Filing with our Form ADV Part 1

Dated: December 23, 2020

Item 1 – Cover Page

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December 23, 2020

This Brochure provides information about the qualifications and business practices of CNL STRATEGIC ASSET MANAGEMENT, LLC, which we may refer to in this brochure as “the Adviser,” “we,” “us,” or “CSAM.” If you have any questions about the contents of this Brochure, please contact Bradley Yochum, Chief Compliance Officer at (407)-540-2541 or at bradley.yochum@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 ASSET 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 Bradley Yochum, Chief Compliance Officer at (407) 540-2541 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 Form ADV Part II brochure had been initially prepared as a part of the registered investment adviser initial Form ADV and registration filing process. As a result, certain disclosures were made throughout based on an expectation of services to be provided to the Client. This brochure amendment is incorporating material changes throughout which conform to the business operations of the Client and the services being provided and fees being charged under the management and administrative services agreements, as executed with the Client.

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Item 4 – Advisory Business

CSAM 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. We intend to be Manager and Administrator to CNL Sprott Strategic Asset Fund, LLC, (the “Client”) which will be our sole Client.

The Client is a limited liability company, organized as a holding company that has been established to acquire (i) loans that are fully secured by, among other collateral, mineral rights, mining claims, leasehold interests, or other interests in real estate, as defined by the laws of the applicable jurisdiction (“Natural Resource Loans”) made to companies or other entities in the mining, agricultural, mineral, resource infrastructure, resource servicing, and energy production sectors (collectively, the “Natural Resource Sector”), (ii) the equity and/or debt securities of public and private entities principally engaged in the exploration, mining, fabrication, processing, and distribution of gold and other precious and base metals (collectively, “Natural Resource Company Securities”), (iii) interests in the projects associated with the exploration, mining, fabrication, processing, and distribution of gold or other precious metals (“Natural Resource Projects”), including leases, commodity streams, royalties, and other financial instruments, (iv) direct gold bullion exposure (“Gold Bullion Exposure”), and (v) certain derivatives such as options, futures, and forward contracts on gold and other precious metals (“Gold Derivatives,” and together with Natural Resource Loans, Natural Resource Company Securities, Natural Resource Projects, and Gold Bullion Exposure, the “Targeted Assets”). The Client may invest without limitation in U.S. and non-U.S. Targeted Assets. The Client expects that its Targeted Assets will usually be invested in several countries. To the extent that the natural resources and gold industries are concentrated in any given geographic region, such as Europe, North America, or Asia, a relatively high proportion of the Client’s assets may be invested in that particular region.

As set forth in the Management Agreement, we are generally to act as the manager to the Client and its subsidiaries and to manage the day-to-day operations of the Client and its subsidiaries. We also ensure that the business policies, directives and restrictions that are set forth in the Client’s formation documentation and policies and as are otherwise approved or implemented by the Client. It is anticipated that the Manager will also engage a Sub-Manager (the “Sub-Manager”) with the Client pursuant to a Sub-Management Agreement.

It is anticipated that the Sub-Manager, will source and recommend potential investment opportunities for Targeted Assets. After recommendation from the Sub-Manager, in order to make a determination that such opportunity meets the Client’s investment objectives, we have established a management committee.

Item 5 – Fees and Compensation

Pursuant to the Management Agreement executed between us and our Client, we will be paid a Base Management Fee and Gross Manager Distribution comprised of an Income Distribution and the Capital Gain Distribution and other expense reimbursements necessary for our operations. In addition to the fees listed above, we also entered into an Administrative Services Agreement with the Client under which we will be paid a fee and reimbursement of expenses on a direct cost basis.

The Base Management Fee is calculated at an annual rate of one and one-half percent (1.5%) of the Client's Average Gross Assets, payable monthly in arrears. The Base Management Fee will be paid, net of applicable withholdings, if any. In lieu of the Client paying the Base Management Fee directly to us, the Client may elect to have a Client subsidiary pay its portion of the Base Management Fee to us based on such subsidiary's pro rata portion of the Client's Average Gross Assets. Pursuant to an Expense Support and Conditional Reimbursement Agreement with the Client, we (and our Sub-Manager) have jointly agreed to reduce the payment of fees and expense reimbursement by the Client subject to reimbursement.

Average Gross Assets shall mean the arithmetic average of the Client's Gross Asset Value as of the last day of (1) a calendar month and (2) the immediately preceding calendar month. Gross Asset Value shall mean, with respect to any date, the sum of the gross asset values of all of the Fund's assets. The determination of Gross Asset Value will reflect changes in the fair market value of portfolio investments reflecting both realized and unrealized capital appreciation.

In accordance with the Sub-Management Agreement executed between us and the Sub-Manager, the Sub-Manager shall earn a fee equal to 50% of the Base Management Fee and Gross Manager Distributions from the compensation paid from the Client to us.

Item 6 – Performance-Based Fees

We will receive an Income Distribution from the Client of up to seventeen-and one-half percent (17.5%) of the amount that the Client's Adjusted Net Investment Income exceeds the Client's Average Adjusted Capital, on a share class basis, subject to a hurdle and catch-up feature.

Additionally, if the Client (i) realizes any capital gains in a calendar year and (ii) as of the end of such year, cumulative realized capital gains exceed the sum of (a) cumulative realized capital losses and (b) unrealized capital losses as of the end of such calendar year, the client will make a Capital Gain Distribution with respect to a class to us equal to seventeen-and one-half percent (17.5%) of any such excess allocable to such class, less the sum of all previous Capital Gain Distributions with respect to such class.

Item 7 – Types of Clients

We intend to be Manager and Administrator to CSAM, who will be our sole Client. Our Client will raise capital for operations through one or more private or public offerings.

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

The Manager is owned by CNL, and will be responsible pursuant to the Investment Management Agreement for all aspects of the management of investments of the Fund, including investigating, analyzing, structuring and negotiating potential investments, monitoring the performance of the Targeted Assets and making determinations as to disposition and other opportunities in respect of the Targeted Assets of the Fund.

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 Asset Management has no disclosures to report.

Item 10 – Other Financial Industry Activities and Affiliations

We are an indirect, wholly owned subsidiary of CNL Financial Group, an investment management firm specializing in alternative investment products in which affiliates and officers of us are also principals, executive officers and/or directors of the Client.

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

Additionally, an affiliate of us, CNL Securities Corp., is a FINRA registered broker-dealer and is a wholly-owned, indirect subsidiary of CNL Financial Group. 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.

Conflicts of Interests

We, CNL, Sub-Manager, and each of their affiliates may have conflicts of interest in connection with the Client’s activities.

Conflicts may also arise when the Manager, CNL, Sub-Manager, or any of their affiliates is engaged in providing advisory or other business services to, has loaned funds to, is investing in, or has another business relationship. As a result, the Client may be precluded from making certain investments or its investments may be smaller or be on less favorable terms than would be the case if such conflict of interest did not exist. The Client may also invest in companies which were declined by other CNL or Sub-Manager affiliates, and such other entities may invest in companies which were declined by the Client.

CNL and its affiliates and Sub-Manager and its affiliates, on the one hand (the “CNL/Sub-Manager Parties”), and the Client, on the other hand, may make investments (including investments in different parts of the capital structure of the same issuer) in the same company. While such investments may raise conflicts of interest, not every such situation will lead to actual adversity among the CNL/Sub-Manager Parties and the Client and such investments may be both desirable and consistent with the investment goals of the Client.

Consequently, subject to the restrictions set forth in the Client’s Limited Liability Company Agreement and the Allocation Policy, the Client may make an investment in which one or more CNL/Sub-Manager Parties holds an investment (whether in the same class of debt acquired by the Client, a different class of debt or in the equity of the relevant company) or such CNL/Sub-Manager Party may invest in a company in which the Client is already invested.

Where a CNL/Sub-Manager Party and the Client invest in a Targeted Asset, conflicts of interest may arise during the course of the holding of such investments, including in respect of significant matters such as the best exit strategy for an investment, the quality of the management team, the achievability of a company's financial budget or the economic and other terms of an investment (such as the interest rate to be paid, the security granted, the nature of the covenants and terms of amendments or restructurings). Additionally, if an investment is in distress, decisions as to restructuring may raise conflicts of interest between the CNL/Sub-Manager Party and the Client.

Item 11 – Code of Ethics

We have adopted a Code of Ethics for all individuals providing services to the Client. This Code of Ethics sets forth 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, and establishes personal securities trading procedures, among other things. All persons associated with us must acknowledge the terms of the Code of Ethics annually, or as amended.

We will not be participating as a principal in any transactions alongside the Client. You may request a copy of our Code of Ethics by contacting our Chief Compliance Officer

Item 12 – Brokerage Practices

Transactions on behalf of the Client which may require the services of a broker-dealer shall be coordinated at the Manager or 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

In fulfillment of our responsibilities under the Management and Administrative Services Agreements, specifically with regard to the day to day operations of the Client and its subsidiaries, we shall continuously monitor the accounts, expenses and transactions of the Client and shall ensure the ongoing reporting obligations to the Client.

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

With regard to our (together with the Sub-Manager, collectively) responsibility for sourcing and selecting potential Targeted Asset opportunities, the Manager, through the management committee, will exercise discretion in the Client's assets. In connection with the management committee's determination that an opportunity meets the Client's investment objectives, the management committee will assess the proposed opportunity against the Client's Investment Policy, Client's allocation policy, and related investment guidelines and process documents to ensure the standards and controls established therein have been met, specifically that the opportunity or investment is an eligible investment pursuant to the Client's established investment policy, shall ensure the requisite approvals have been obtained and documented and shall ensure proper reporting to the Client.

Item 17 – Voting Client Securities

We are not responsible for proxy voting matters with regard to any Client assets.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide its Clients with certain financial information or disclosures about its financial condition. We have 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.