

STRATEGIC ASSET FUND

CNL Sprott Strategic Asset Fund is an innovative offering that invests primarily in income-generating, gold-related assets to diversify and help offset an investor's market cycle risks in challenging economic environments, while also providing long-term growth opportunities.

INVESTMENT OBJECTIVE

Current income and long-term appreciation

INVESTMENT MANAGERS¹

Manager: CNL Strategic Asset Management, LLC

Sub-manager: Sprott Resource Lending Partnership

GOLD-RELATED ASSETS



Natural Resource Projects

Privately originated loans collateralized by gold resources and reserves and other strategic metals



Upside Interests

Potential upside through royalties, streams, and equity investments



Precious Metals

Direct and indirect ownership of gold and other in-demand metals critical for global commerce

DURABLE INCOME STRATEGY²

Fully secured financing solutions backed by real assets

- Collateral includes gold resources and reserves and other valuable minerals that perform well, even during economic shocks
- Additional security from real estate interests, corporate guarantees and a claim on cash flows
- Low loan-to-value ratios, typically less than 50%

OFFERING DETAILS

Investment Structure	A limited liability company
Suitability Standards	Accredited investors only
Maximum Offering Size	\$250 million (expandable at manager's discretion)
Minimum Investment	\$25,000, except for Class I, which is \$100,000
Unit Classes/ Purchase Prices ³	Class A \$27.01, Class T \$25.94, Class D \$24.71, Class I \$24.71, and Class S \$25.47
Distributions ⁴	Monthly
Subscription Procedure	Monthly escrow sweep
Published Net Asset Value (NAV)	Monthly
Net Asset Value (NAV) ⁵	Class A \$24.71, Class T \$24.71, Class D \$24.71, Class I \$24.71, and Class S \$24.71
Geographic Focus ⁶	Primarily in resource-rich countries with well-established investment and mining laws such as North America, Europe, and Australia, as well as parts of South America and Africa
Limited Unit Repurchase Program ⁷	10% annual liquidity, 2.5% quarterly
Escrow Break	\$1 million (excluding capital from the managers)
Tax Reporting	Schedule K-1 (best efforts to provide no later than mid-March)
Fund Life ⁸	Perpetual

¹ The sub-manager, Sprott Resource Lending Partnership, is a relying adviser of Resource Capital Investment Corporation. CNL Strategic Asset Management, LLC and Resource Capital Investment Corporation are investment advisers registered with the U.S. Securities and Exchange Commission. ² The term "durable income" does not suggest that income is certain or that the investment will produce income in times of stress. The durable income represented above is primarily from the loan the Fund provides to borrowers. This investment is speculative and not suitable for all accredited investors. ³ Effective for October 2021. Based on these initial offering prices, the net proceeds to the Fund, after deduction of applicable selling commissions and placement agent fees, will be \$24.71 per unit. ⁴ Distributions are not based on the Fund's performance and are not guaranteed in frequency or amount. Distributions may be paid from net investment income and, in addition, may be paid from offering proceeds, borrowings or reimbursable expense support, which will reduce future cash available for distributions and be dilutive to investors. ⁵ Effective as of Sept. 30, 2021. The net asset valuation is inherently subjective and therefore, the NAV is an estimate of fair value and does not represent the amount an investor would receive now or in the future. ⁶ Some natural resource loans may not be repaid as contracted. Loans may cover mining operations in many locations. The Fund generally does not own the mines. These investments may carry risks associated with significant geographic concentration. ⁷ The quarterly unit repurchase program will be limited with restrictions. The repurchase plan will be dependent upon the recent NAV per unit. The program will be limited to up to 2.5% aggregate NAV per calendar quarter and up to 10% of aggregate NAV per year based on each of the Fund's trailing four quarters. These limits are at the Fund level based on the aggregate NAV per year. The program may be suspended, modified or terminated at any time. ⁸ This Fund is expected to be perpetual. This means an investment vehicle of infinite duration. The manager is under no obligation to pursue or complete any liquidity event.

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

PORTFOLIO HIGHLIGHTS

ASCOT RESOURCES

Canadian mineral development company focused on restarting the historic Premier gold mine in British Columbia. The company is traded on the Toronto Stock Exchange (TSX: AOT) and will be producing gold and silver ore.

ELEMENTAL ROYALTIES

A diversified royalty company that owns nine royalties with exposure to mines in Australia, Africa and the Americas. Elemental is based in Canada and trades on the Toronto Stock Exchange (TSX: ELE).

PHYSICAL GOLD

CNL Sprott Strategic Asset Fund has invested directly in gold bullion being held in an insured vault at the Royal Canadian Mint.

RISK FACTORS

- CNL Sprott Strategic Asset Fund (the Fund) commenced operations in February 2021 and has no operating history. It may be unable to successfully implement its business and originations strategies or meet its investment objectives. Investors will not have the opportunity to evaluate the credit investments prior to acquisition.
- An investment in the Fund is considered speculative. The Fund intends to use a small amount of derivatives, options, futures contracts, swaps contracts, and options on forward contracts, on securities and currencies in this portfolio. Such instruments may be traded on foreign exchanges. Such transactions are high risk and may not be regulated as effectively as similar transactions in the jurisdiction of the United States. Participation in the options or futures markets, in currency exchange transactions and in other derivatives transactions involves investment risks and transaction costs to which the Fund would not be subject absent the use of these strategies. These instruments are considered predominantly speculative with respect to an issuer's continuing ability to make principal and interest payments, and may be more volatile than other types of securities. While hedging can reduce or eliminate losses, it can also reduce or eliminate gains. Investors should not rely on the past performance of the managers and their respective affiliates as an indication of future performance. The Fund 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.
- The Fund's managers and their respective affiliates face conflicts of interest, including those that result from compensation arrangements and allocations of business opportunities.
- Certain management fees will be paid by investors, even if the portfolio loses money while they are managing the investment portfolio. The Fund compensates the managers and CNL Securities for services provided and may also compensate the parties when certain operational and performance thresholds are met. See the private placement memorandum (PPM) for details on conflicts of interest.
- If the Fund is unable to raise substantially more funds, it will be limited in the number of investments it acquires, which reduces diversification and increases the potential for even more volatility.
- The Fund will invest in non-rated and below-investment-grade debt securities. These securities, which may include preferred stock or debt, are predominantly speculative and involve major risk exposure to adverse conditions.
- This offering has natural resource risks, environmental or geopolitical risks, mining risks, low or slow production risks, international investing, and a small

amount of derivatives, which are expected to be used. See the PPM to fully understand the risks of investing.

GENERAL NOTICES

- Broker-dealers and investment advisors are reminded that the Fund's communications must be accompanied or preceded by the PPM. CNL Sprott Strategic Asset Fund, LLC is a unique direct participation program (DPP), taxed as a partnership. CNL Securities and its associates cannot provide investment advice for any individual or any individual situation, and are not acting in a fiduciary capacity. Please speak with your financial professional regarding which share class may be best for you economically and for your investment strategy.
- The CNL Sprott Strategic Asset Fund is the first time CNL and Sprott have partnered. CNL Strategic Asset Management, LLC is acting as the manager. The sub-manager is Sprott Resource Lending Partnership, an Ontario partnership, an affiliate of Sprott Inc. (Sprott), publicly listed under the ticker SII, to provide certain investment management services to the manager. Each managing entity is an investment adviser registered with the U.S. Securities and Exchange Commission.
- Investors pay a management fee of 1.5% of average gross assets, which exclude cash calculated monthly. The incentive fees are 17.5% above 5% preferred return on income; 17.5% on cumulative realized capital gains with lookback adjustment (high-water mark). The organization and offering costs of the Fund will be limited to 1.5% of the gross offering proceeds.
- This is not an offer to sell nor a solicitation of an offer to buy units of the Fund. Only the PPM makes such an offer. This piece must be read in conjunction with the PPM 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.
- 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.
- The COVID-19 pandemic could impair CNL Sprott Strategic Asset Fund's ability to maintain operational standards, disrupt the operations of its service providers, adversely affect the value and liquidity of its investments, and negatively impact its performance and your investment.
- Please read the PPM, including the Risk Factors section, for full details. The PPM is available at cnlsprottstrategicassetfund.com, or may be obtained by calling 866-650-0650.

Cautionary Note to U.S. Investors - The SEC permits mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce.